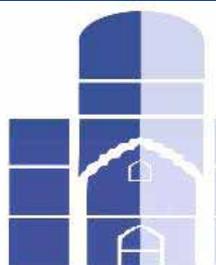


China's War on Narcotics: Two Perspectives

Niklas Swanström
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SILK ROAD PAPER
December 2006



*Central Asia- Caucasus Institute
Silk Road Studies Program*

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"China's War on Narcotics: Two Perspectives" is a *Silk Road Paper* produced by the Central Asia-Caucasus Institute & Silk Road Studies Program. The *Silk Road Papers* series is the Occasional Papers series of the Joint Center, published jointly on topical and timely subjects. It is edited by Svante E. Cornell, Research and Publications Director of the Joint Center.

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ISBN: 91-85473-29-4

Printed in Sweden

Distributed in North America by:

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Executive Summary

China has been relatively unaffected by international drug networks since the People's Republic of China was founded in 1949. This is partly due to a limited consumer market in mainland China combined with repressive sanctions on narcotics abuse, but also because other regions of production and transit have been considered more attractive. This situation has changed since then as an impressive economic development in China has raised demand, and China is today considered a lucrative market by transnational criminal networks implicated in the drug trade. China's increasing involvement in the international drug trade is primarily seen in the number of drug-seizures made by the Chinese. China is today the largest seizure state of heroin in the world, the 9th largest of opium, the 7th largest of ecstasy, and the 2nd largest of amphetamines. The number of addicts registered at the public security organs have increased dramatically to more than a million registered users in 2003, where heroin is consumed by around 88 percent of the registered addicts. This also has a direct impact on the HIV/AIDS problem since over 70 percent of the registered carriers of HIV/AIDS in China are/or have been intravenous drug-users (figures from 1999). An even more worrying development is that drug abuse is becoming increasingly frequent among the younger segments of society, where roughly 80 percent of the registered addicts are less than 35 years of age today.

Most of the narcotics trafficking into China transit remote areas bordering Burma, the Central Asian nations including Afghanistan and North Korea. Indeed, these countries are some of the largest narcotics producers in the world, particularly in the heroin trade. As all three share borders with China it makes the mainland Chinese market relatively easy to penetrate. Burma's border has been in a state of flux and geographically easy to penetrate, and with well established criminal organizations handling the trade. Afghanistan, being the world's largest producer of opiates, benefits from the increasing transit trade in Central Asia and the rampant corruption and weak governance in the region. All of this has made China an important nexus in the narcotics trade, both as a consumer, as a transit route, and a source for the export of precursor chemicals.

The major influx of narcotics is believed to come from the Golden Triangle (Myanmar, Laos, Thailand) which is the world's second largest producer of heroin and opium accounting for 7,8 percent of total world production. Burma alone exports some 80 percent of its production inland through southern China (Yunnan) destined for the rest of China, the US, and other markets. Afghanistan's 88, 7 percent share of the world's opium production has however today made Burma less important, and the inflow of trafficked narcotics has increasingly

shifted to China's west and its far-western Xinjiang region adjacent to Afghanistan. This emerging shift from Burmese to Afghani heroin is partly due to the Chinese and Burmese counter offensives against trafficking from Burma, as well as the relatively cheap heroin from Afghanistan. As the Chinese have stepped up their counter-narcotics efforts against the heroin trade in Burma, transaction costs in crossing the Sino-Burmese border have increased. This, in turn, has coincided with the turbulent political situation in Afghanistan and the lack of a strong central government able to prevent the proliferation of the narcotics industry. The production of opium and heroin refinement has also diversified in Afghanistan with a stronger production being located to the North which has a direct impact on the Chinese market and transit routes through Central Asia. The international forces operating in Afghanistan have not been able, or assigned to, deal with the narcotics problem, and the production of opiates has witnessed a steep rise since the launch of Operation Enduring Freedom in 2001.

China's large production of precursor chemicals has lately made it an important node in the international heroin industry and a major producer of synthetic drugs such as Crystal Meth and Ecstasy. While much of the precursor chemicals are exported and a trade in precursors with Afghani heroin labs has been documented, the new synthetic drugs are primarily consumed domestically, and especially in the urban parts on China's east-coast. An additional side-effect of China's trade in precursor chemicals is the attraction of transnational criminal networks to China. This, in turn, has led to an overall criminalization of Chinese society and engagement of these networks in related illicit activities such as money laundering.

The Chinese government has also tried to establish links between separatist groups such as the East Turkistan Liberation organization and the drug trade, but evidence of such involvement has so far been weak. Considering the close ethnic ties between the people in China's Muslim west and Central Asia, such links may however be developed if Islamic radical and criminal groups in the latter forge deeper ties with its ethnic kin in Xinjiang. This pertains particularly to such groups as the Islamic Movement of Uzbekistan (IMU). Although IMU's existence today remains uncertain following the U.S.' Afghanistan operation, it has a well documented record of involvement in the drug trade from Afghanistan through Central Asia, and signs have also emerged lately that the movement is resurrecting.

China has today realized the magnitude of the problem of being located in between some of the major narcotics producing states, and has in recent years invested substantial efforts to enhance the efficiency of its drug control program. A four-pronged approach has been pursued: Counter-narcotics legislation and law enforcement have been improved; a treatment and rehabilitation approach to addressing addicts' problems has been developed; a "People's War on Drugs" has been launched to promote the public's participation in fighting drugs; and international cooperation has been strengthened.

Despite these efforts, there is a need to take additional steps. Three measures seem most urgent today:

- There is need for a more strategic approach in countering the drug trade through international cooperation. China should spend more money and diplomatic efforts to consolidate the replacement plantation in the Golden Triangle and prevent it from becoming an “ice” empire, while due attention should be paid to Central Asia, in particular, Afghanistan, whose drugs are likely to flood the Chinese market. To step up the fight against the narcotics industry China, and many other states, will need to equip the producing and transit states with tools to fight the illegal narcotics-industry. This was done relatively successfully by China in Burma, but much remains to be done to effectively control the problem, especially so in Central Asia.
- Simultaneous efforts are required to counter demand and the comparative advantage that the criminals have. This problem is further exacerbated by the demonstrated resilience of the drug trade. If the heroin trade is controlled, designer drugs (such as Ecstasy, MDMA) may act as a substitute, and if Afghanistan manages to decrease production the heroin trade is highly likely to move to another state. Thus, the focus has to be on decreasing and controlling the demand and transit of narcotics in order to increase transaction costs and prevent a criminalization of the society. This is best done through additional efforts in increasing economic redistribution, and improve rehabilitation services and reintegration strategies.
- The counter-narcotics legislation should be strengthened as existing counter-narcotics laws can be made more effective in tackling the drug problem. There have been discussions about a systematic counter-narcotics law, which can integrate the current counter-narcotics articles in the criminal laws, regulations, decisions and judicial explanations. The integrated counter-narcotics law should be able to resolve the existing controversial problems regarding law enforcement, proportionality and justice. This relates to finding a balance in sanctions imposed and range of punishments set.

Introduction

Niklas Swanström, Nicklas Norling, and Yin He

In the last decade or so, more and more attention has been devoted to other security threats than internal conflicts and external military threats. “Soft” security threats such as drug-trafficking, environmental degradation, natural resource scarcity, epidemics, and organized crime have increasingly appeared on decision-makers’ agenda as vital national interests as well. Yet changes in the security discourse have not only transformed threats from those in the military sector to threats of economic, environmental and societal security; it has also been appreciated that security threats also transgress borders and interrelate to a great extent. The narcotics industry is no exception to this. Due to the integrated nature of the international drug trade with other security threats, it is safe to assume that counter-narcotics is a key component in the fight against organized crime, terrorism, extremism, and epidemics as well.

While the connection between the drug trade and the spread of HIV/AIDS has been appreciated for a long time, it was not until the late 1990s that the interrelations between the drug trade, organized crime, and radicalism became fully recognized. It is today clear that these do not operate in isolation but nurture on each other, threatening the very fabric of societies. Not only do they undermine the rule of law, but they also pull the rug out from under the entire state apparatus by corrupting state officials. Nowhere has this been more clearly seen than in Afghanistan. Apart from providing a sanctuary for al-Qaeda during the Taleban, Afghanistan has today emerged as the world’s opiate and heroin center producing roughly 90 percent of the world’s total supply. Neighboring transit countries have suffered accordingly, where HIV/AIDS, state infiltration, and criminalization of societies have followed the tracks of the drug trade and drug routes. Following Operation Enduring Freedom, Afghanistan has re-emerged as the world’s leading producer of opiates and the importance of the Golden Triangle of Burma, Thailand, and Laos has diminished, even though this region still supplies an approximate 8 percent share of the world’s opiate production. Meanwhile, countries such as North Korea are today believed to be deeply implicated in the production of synthetic drugs, hosting both drug-factories and criminal networks profiting from this lucrative industry. Russian criminal syndicates have been particularly active in the transit trade from both Afghanistan through Central Asia and from North Korea to the markets of Northeast Asia.

China is in the center of this Eurasian narcotics-nexus with North Korea in the Northeast, the Golden Triangle in the south, the Golden Crescent of Afghanistan, Pakistan and Iran in its East, and Central Asia in the Northwest. Considering this geographical location, it is somewhat surprising that China has not been more

victimized by the continental flow of narcotics than it has. Although statistics should be treated with caution considering the use of different national standards, censorship, efficiency of law enforcement, rehabilitation and visiting work, and types of drugs used, it is clear that China's rate of addiction is lower than the world average, or at least not worse. This has a number of explanations. The most important include the comparatively low level of corruption in China, efficient border-controls, and a low demand. The low demand is due to several factors but the primary reason relate to low economic development and low purchasing power parity. The potential financial returns in the markets of Europe and the US also work as a disincentive in disposing drugs in China (and other developing countries) where revenues have been comparatively miniscule.

This is however approaching a turning point. China's rapid economic growth, a growing demand for narcotics, its rising attraction from transnational criminal networks, while routes enter the country omni-directionally, promises to put China to similar challenges as those confronted by Iran, Russia, Southeast Asia, and the five Central Asian republics in the past decades. Beginning with China's adoption of its opening up policy in the late 1970s under Deng Xiaoping, it has gradually become more and more vulnerable to drug-trafficking and the narcotics industry as both licit and illicit goods have started flow across the borders in an unprecedented pace. This liberalization-wave also coincided with more effective counter-narcotics efforts in Thailand and Burma/Myanmar which inadvertently increased the number of drug routes transiting China. As seen in other transit states, most notably Iran and Russia, growing transit traffic has spill-over effects on domestic abuse and large amounts of the narcotics smuggled tend to be consumed en route. China is no exception to this, even though the low purchasing power of the Chinese population has somewhat reduced the negative effects up until today.

The Golden Triangle in Southeast Asia has been, and still is, China's major source of narcotics supplies, even though Afghanistan in the near future may take over this position. As production has declined in Southeast Asia, prices of opiates have increased to around US\$218-234 per kilo compared to the bargain-price of US\$92 per kilo in Afghanistan.¹ Since 2003 alone, Burmese prices have been raised by 80 percent while Afghan prices have registered a corresponding drop by 69 percent due to excess supply. This is perhaps the primary factor accounting for China's predicted shift to Afghan opiates. The major transit routes from the south run from Burma and Laos into Yunnan and Guangxi, while the bulk of Afghan opiates transits Central Asia and enter China from its far-western Xinjiang region. Some are also smuggled through the Vakhani corridor on the Sino-Afghan border or via Pakistan.

¹ United Nations Office of Drugs and Crime, *2005 World Drug Report* (New York: UNODC), p 10.

However, China does not only act as an emerging consumer and transit state but also as a producer. China's large production of precursor chemicals has lately made it an important node in the international heroin industry and a major producer of synthetic drugs such as Crystal Meth and Ecstasy. While much of the precursor chemicals are exported and a trade in precursors with Afghani heroin labs has been documented, the new synthetic drugs are primarily consumed domestically, and especially in the urban parts on China's east-coast. An additional side-effect of China's trade in precursor chemicals is the attraction of transnational criminal networks to China. This, in turn, has contributed to an overall criminalization of Chinese society and engagement of these networks in related illicit activities such as money laundering.

Moreover, the Chinese government has tried to establish links between separatist groups such as the East Turkistan Liberation organization and the drug trade, but evidence of such involvement has so far been weak. Considering the close ethnic ties between the people in China's Muslim west and Central Asia, such links may however be developed if Islamic radical and criminal groups in the latter forge deeper ties with its ethnic kin in Xinjiang. This pertains particularly to such groups as the Islamic Movement of Uzbekistan (IMU). Although IMU's existence today remains uncertain following the U.S.' Afghanistan operation, it has a well documented record of involvement in the drug trade from Afghanistan through Central Asia, and signs have also emerged lately that the movement is resurrecting.

China has realized the magnitude of the threat that it faces, or could potentially face, from the narcotics industry. A number of laws have been passed in the past 25 years and China has lately launched a "People's War on Drugs". In 2004 alone, some 273,000 drug users were arrested through the enlistment of 17,000 counter-narcotics police officers. If tested positive, these persons were locked up in rehabilitation-through-labor centers for up to three years.² As such, most efforts have been directed to law-enforcement where China has adopted a sanctions-oriented approach to counter-narcotics with strict legal sanctions on narcotics consumption and production. Nevertheless, some measures have also been directed to demand reduction, harm reduction, and rehabilitation, and most notably so with the adoption of a Methadone Maintenance Therapy Program and a Needle Exchange Program in 2003.

There should be no doubt that the narcotics industry poses a significant threat to China's security considering all the above-mentioned factors. Although China so far have been relatively spared of the effects of the drug-trade and especially its links with terrorism and state infiltration, the booming poppy cultivation in Afghanistan combined with a rapidly rising demand in China promise to have adverse effects on the rule of law, public health, and internal stability. Judging by the experiences of other modernizing countries at the crossroads of drug-trafficking

² Kasia Malinowska-Sempruch and Nick Bartlett, "Who Needs Protecting? Rethinking HIV, Drugs, and Security in the China context," *China and Eurasia Forum Quarterly* 4, 1 (2006): 26.

routes, countermeasures are urgent to prevent criminalization, corruption, state infiltration, and radicalism in China.

This is why a study on China's role in the transnational narcotics industry is particularly timely, and two perspectives on this will be given here. The first chapter focuses mainly on China's role as a producer, consumer, and transit state while the subsequent chapter gives an account on China's drug control strategy.

The New Opium War in China: New Threats, New Actors and New Implications

Niklas Swanström*

The Northeast Asian region is once again infested with opium (heroin) and other illegal narcotics. China in particular has been a main actor, partially as a producer but more importantly as consumer and as an important transit country. During the mid 1800s, China fought a war against Great Britain for the right to defend its people against the import of narcotics, or at least to gain from the sales in China. The effects of opium sales in China at that time was devastating and it is estimated that by 1931, 20 percent of the Chinese population was hooked on opiates with 90 percent of such addicts (72 million) using opium and the rest (10 million) using morphine or heroin.¹ Today, China is once more facing a war against drugs; however, unlike before, the main adversary is not Great Britain. The latest drug threat emanates from multiple sources ranging from states in its periphery, regional criminal networks as well as domestic actors, such as local triads, which accounts for the bulk of the production and sale of narcotics in China.

As China gradually opens up, the drug problem is becoming increasingly serious and threatens China's progress, especially in the field of health, economy, as well as public security. This development is primarily driven by its rapid economic growth and the creation of a strong consumer base in China for narcotics. As seen in Central Asia, Afghanistan and some Southeast Asian states, economies seriously affected by the narcotics trade usually have a worsened health situation with HIV/AIDS, Hepatitis C and other drug related diseases on the increase.² There have also been cases of "narcotisation" of states leading to political instability.³ This has mostly happened in states with high unemployment rates and where few opportunities exist for an adequate and secure income at the legitimate market. The expansion of drug related industries here give an alternative means of subsistence

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¹ Kathryn Meyer & Terry Parssinen, *Webs of Smoke* (Lanham: Rowman & Littlefield Publishers, INC, 1998), p. 3.

² Niklas L.P. Swanström & Svante E. Cornell, "The Eurasian Drug Trade: A Challenge to Regional Security," *Problems of Post-Communism* 53, 4 (July-August 2006), pp. 10-28.

³ Svante Cornell, "The Narcotics Threat in Greater Central Asia: From Crime-Terror Nexus to State Infiltration," *The China and Eurasia Forum Quarterly* 4, 1 (February 2006); Niklas Swanström, "Narcotics a Threat to Security?: National and Transnational implications," *Global Crime* 8, 1 (2007).

at the expense of decreased national competitiveness. One of the most problematic effects in such states has been a weakening of the state apparatus by the criminal networks that deals with drugs; such networks thrive in weak states where they exercise control over the political elite or simply become a part of the elite. The question remains what the current effects are for China and how negative long-term implications can be prevented.

China and Narcotics: A Background

Since the establishment of the People's Republic of China in 1949, China has been relatively unaffected by international drug networks. This is partly due to a limited consumer market in mainland China combined with a strong repressive system, but also because other regions of production and transit have been considered more attractive. Except for the short period between 1941-1946 when the Communists profited from drugs in their struggle against the nationalist government,⁴ Mao Zedong, as he came to power, acted harshly against both drug production and consumption and reduced the prevalence of this dramatically.⁵ This situation has changed since then as the impressive Chinese economic development has created a strong consumer base and China is today seen as a lucrative market by criminal networks dealing with narcotics. In response, the Chinese government has taken a strong stand against the sale and production of narcotics.⁶ China is today the largest seizure state of heroin (10,836 kg), the 9th largest of opium (890 kg), the 7th largest of ecstasy (300 kg), and the 2nd largest of amphetamines (2,746 kg).⁷ While these seizures indicate the importance and resources that China puts into combating the illegal narcotics trade, they also reflect the magnitude of the problem

⁴ This is similar to many other rebels, separatists and militant groups that seek a financial base as the narcotics trade is extremely profitable and associated with relatively few risks.

⁵ Meyer & Parssinen, *Webs of Smoke*, p.271.

⁶ 廷长 (Ting Chang) 中国对毒品永远说“不” (“China Always Says “No” to Narcotics”), (Beijing: Foreign Languages Press, 2004); 中国政府白皮书 (White Papers of the Chinese Government) , 中国的禁毒 (Narcotics Control in China), 2003. The Chinese data on the narcotics problem deserves a note, especially as it is very low in an international perspective. Even with the higher informal estimates the consumption will only reach 1% of the total population in comparison with the international average of 5%. Firstly, the Chinese estimates are based on registered users which are much lower than the factual numbers, this is of course always the case in all states but as China has begun relatively late in seriously analysing the numbers we are very much only seeing the tip of the ice-berg. Secondly, the actual numbers of abusers in China are probably much lower than in other states (as a percentage of the total population) due to the previously slow economic development and an underdeveloped market for illegal narcotics. This is changing rapidly now with the economic development and increased trade. Thirdly, earlier the figures were kept down for propaganda purposes. This is no longer the case but the anti-narcotics efforts have a long way to go before the estimates of the user population and the size of the narcotics trade are at a realistic level. Finally, the new designer drugs are not represented in the figures. The increased usage of speed, ecstasy, ice etc. is virtually unaccounted for.

⁷ United Nations Office of Drugs and Crime, *2006 World Drug Report* (New York: United Nations, 2006), p. 71, 72, 136, 140.

facing the government today. The number of addicts *registered* at the public security organs increased dramatically to more than a million registered users in 2003. While the statistics indicate a drop in the number to 771, 579 registered addicts in 2004, it is clear that China still has a long way to go in its attempt to combat the drug abuse problem.⁸ Heroin is used by 88 percent of the addicts according to UN reports from 2006.⁹ According to Chinese statistics, 79.2 percent of the registered addicts are under 35 years old and sexually active, which has a direct impact on the HIV/AIDS problem since 72.4 percent of the 17 316 registered carriers of HIV/AIDS were intravenous users in 1999. This figure did deceptively decrease in 2001 to 68.7 percent but the actual figure was a rapid increase of total HIV/AIDS carriers to 28 000.¹⁰ Regardless of this decrease these figures draw a grim picture, especially since this is believed to be the tip of the iceberg as drug addicts typically refrain from registering with authorities and only are registered when arrested or very ill.

Why has China Re-emerged as a Centre For Narcotics?

China has emerged as one of the major users of narcotics the last few years due to a variety of factors. First, the economic development that brought wealth and prosperity to its citizens also created a market for the international narcotics trade. Just between 2000 and 2005, the Chinese GDP per capita has increased from US\$3,980 to US\$6,292. Such a boost in purchasing power has enabled the average Chinese citizens with financial means to acquire more illegal stimulus.¹¹ The price of narcotics has also decreased significantly in relation to the economic development and purchasing power parity. What used to cost a significant part of the income is today only a fraction of the income for the middle class. Economic development has been particularly high in the urban coastal areas where some of the greatest increase in narcotics abuse also has been documented. It is also in the more affluent regions where we see the new designer drugs.

The second is the increased liberalization of the economic system which has multiplied the number of cross-border transactions with China's neighbors in Southeast Asia, Central Asia, Afghanistan and North Korea (Democratic Peoples

⁸中国政府白皮书 (White Papers of the Chinese Government) , 中国的禁毒 (Narcotics Control in China), p.146; 廷长 (Ting Chang) , 中国对毒品永远说“不” (“China Always Says “No” to Narcotics”), p. 20; United Nations Office of Drugs and Crime, *Patterns and Trends of Amphetamine-Type Stimulants (ATS) and Other Drugs of Abuse in East Asia and the Pacific 2005* (New York: United Nations, 2006), p.50.

⁹ United Nations Office of Drugs and Crime, *Patterns and Trends of Amphetamine-Type Stimulants (ATS) and Other Drugs of Abuse in East Asia and the Pacific 2005*.

¹⁰中国政府白皮书 (White Papers of the Chinese Government) , 中国的禁毒 (Narcotics Control in China), p.146; 廷长 (Ting Chang), 中国对毒品永远说“不” (“China Always Says “No” to Narcotics”), p. 20, 146; United Nations Office of Drugs and Crime, *Patterns and Trends of Amphetamine-Type Stimulants (ATS) and Other Drugs of Abuse in East Asia and the Pacific 2005*, p. 50.

¹¹ *The Economist*, Country Briefings: China, 2006.

Republic of Korea). China has increased the legitimate trade with its neighbors significantly. For example, the Sino-Burmese (Myanmar) trade accounts for more than US\$600 million/year while bilateral trade between China and the five Central Asian states has increased between 15 and 120 percent per country from 2001 to 2003. China's total trade volume with Kazakhstan has, for instance, expanded from a modest US\$635.5 million in 1998, to US\$1.3 billion in 2001, and to almost US\$4.5 billion in 2004, to top US\$6.2 billion in 2005.¹² Increased legitimate trade has opened up the economies but this has also led to increasing amounts of narcotics being smuggled. There is today no possibility for the Chinese government, or for that matter, any government dependent on trade, to fully control inbound and outbound shipments. Chinese officials have in private interviews claimed that far less than three percent of all imports and exports can be controlled.¹³ Increasing trade restrictions would also directly affect the legitimate trade negatively by increasing costs and transport times. Finding the right level of control will prove to be as difficult for China as for the rest of the world.

This said, it seems that most of the narcotics trafficking are done through remote areas bordering Burma, Central Asia, and North Korea where the figures of interception are far lower. Indeed, these countries are three of the largest narcotics producers in the world, particularly in the heroin trade. As all three share borders with China it makes the mainland Chinese market relatively easy to penetrate. Burma's border is in a flux and geographically easy to penetrate with well established criminal organizations handling the trade. Afghanistan, being the world's largest producer of opiates, benefits from the increasing transit trade in Central Asia while North Korea shares complicated political and economic relations with China. These complex bilateral relations combined with the benefits North Korea may derive from its Russian connections and by using Russia as a transit country also present a serious threat to Beijing. All of this has made China an important nexus in the narcotics trade, both as a consumer and as a transit route. The major influx of narcotics is still believed to come from the Golden Triangle¹⁴, which is the world's second largest producer of heroin and opium accounting for 7, 8 percent of total world production. Burma alone exports some 80 percent of its production inland through southern China (Yunnan) destined for the rest of China, the US, and other markets. Afghanistan's 88, 7 percent share of the world's opium production has made Burma less important and as a result, smuggling has increasingly shifted to China's west and its far-western Xinjiang

¹² Ministry of Commerce of the People's Republic of China (中华人民共和国商务部) (March 8, 2005). 1992-2002 Chinese Customs Statistics; 2004 Xinhua's China Economic Information Service, February 7 2006, based on Chinese Customs Statistics; 2005 Xinhua's China Economic Information Service, Feb 7, 2006, based on Chinese Customs Statistics (Note: only January-November 2005)-

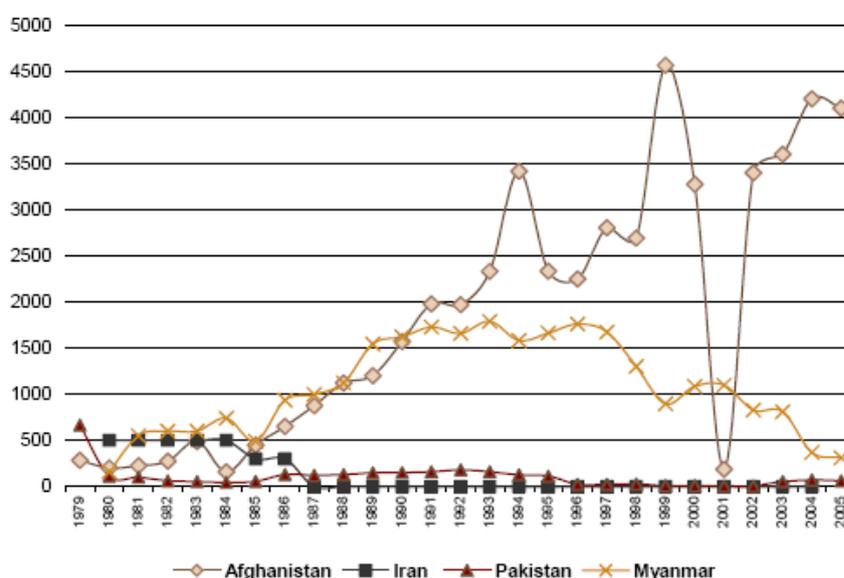
¹³ A great deal of the information in this paper are from interviews with Chinese and foreign officials involved in the anti-narcotics efforts and due to the sensitivity of the information there identity and affiliation will be confidential.

¹⁴ The Golden Triangle is a collective name for the region encompassing Burma (Myanmar), Laos and Thailand and has since long been an infamous production area for opium and heroin.

region. This has been facilitated by the turbulent political situation in Afghanistan and the lack of a strong central government. The production of opium and the refinement process into heroin have diversified in Afghanistan with a stronger production in the North which has a direct impact on the Chinese market and transit routes through Central Asia.¹⁵ Due to the security risks involved in transporting opiates cross-country in Afghanistan, smuggling tends to take the routes and border-crossings that are nearest the site of production and/or refinement. Thus, as production more and more is relocated to the north and especially northeast this inadvertently will affect the amount of opiates that enter China. This positions China as a strong future market for Afghan heroin.

Moreover, the international forces operating in Afghanistan has not been able, or assigned to, deal with the narcotics problem, thus giving the local producers virtually free hands in the trade. Responsibility has also been unclear of what role the International Security and Assistance Force (ISAF) and contributing countries should play in counternarcotics, and how responsibilities between international forces and Afghan authorities are to be divided.¹⁶ After production was slashed with 98 percent following a religious edict issued by Mullah Omar in 2000, the production of opiates has witnessed a steep rise since the launch of Operation Enduring Freedom in 2001, as seen in Chart 1.

Chart 1. Estimated Tons of Opium Produced, 1970-2005



Source: UNODC

¹⁵ For more information about the situation in Afghanistan see: Niklas Swanström and Svante Cornell, Trafficking in Afghan Opiates: Impact on the Transit Countries, *United Nations Office on Drugs and Crime* (forthcoming December 2006).

¹⁶ See for example, UK House of Commons, Defence Committee, "The UK Deployment to Afghanistan," Fifth Report of Session 2005-06, HC 558, p. 25.

Furthermore, China itself has in recent years been identified as one of the main producing countries of illegal drugs according to United Nations, especially methamphetamine, Amphetamine-Type Stimulants (ATS) and to some extent cannabis.¹⁷ On the positive side, there seems to be limited opium production in China and relatively few heroin refineries as most heroin is refined in Burma, Afghanistan or North Korea. The domestic production in China has created new problems with a high number of small but productive labs for Methamphetamine and ATS production. This is reinforced by an improved industrial structure that can handle illegal production of narcotics with high quality output. This is especially true as China has emerged as a centre for chemical industries and is one of the leading producers of precursors in the world. In an effort to handle this, the Chinese government has introduced its first administrative law on precursor chemicals.¹⁸ It is far reaching with real measures to handle manufacturing, purchase, distribution and export of precursor chemicals. This trade has made domestic production possible, and it has also made China an exporter of precursors to the narcotics industries in Asia, Russia and Europe.

China as a Consumer

Chinese consumption is modest compared to the domestic levels of abuse in the late 1800s and early 1900s but the levels of consumption have increased significantly in the last 10 years. The increase from 560 000 *registered* addicts in 1995, to a million *registered* users in 2003, and 770 000 in 2005 gives an indication of the growing problem that China is facing.¹⁹ However, this figure only reflects the tip of the iceberg as most addicts are not registered, both because of stigmatization and the punitive measures adopted by the Chinese government in counter-narcotics addiction.

In private interviews conducted by the author with United Nations, NGOs, drug enforcement and intelligence staff both within and outside China, most estimate the actual figure to be higher than 5 million addicts and in some more pessimistic assessments up to 15 million. Chinese official sources meanwhile put the figure at 4 million in open discussions as a guestimate if all abusers are accounted for.²⁰ These estimates are by no means an exaggeration. In surveys of teenage drug abuse conducted in China in 2003-2004, 7.6 percent of the teenagers surveyed in Shanghai

¹⁷ United Nations Office of Drugs and Crime, 2004 World Drug Report (New York, United Nations, 2004), p. 155, 161, 163, 260.

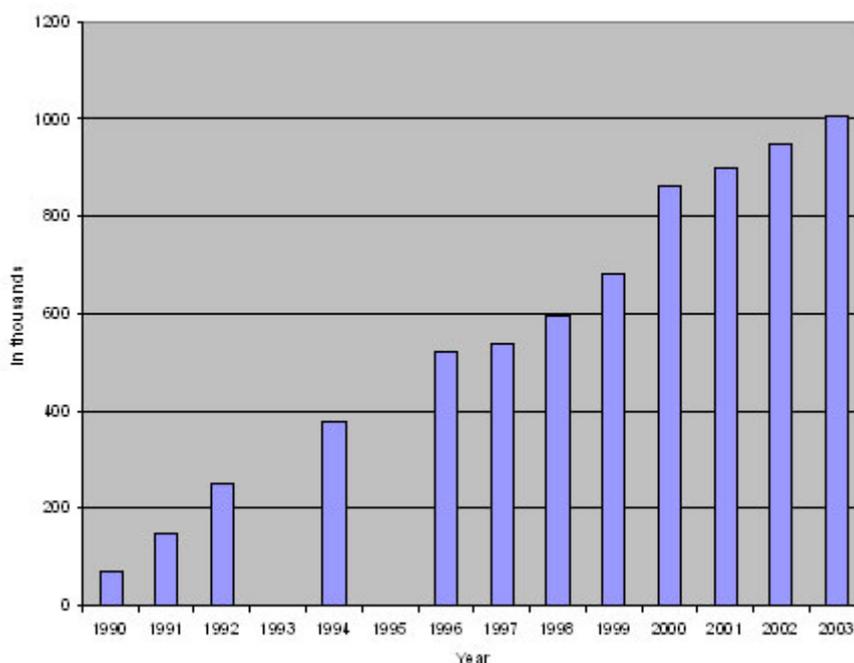
¹⁸ U.S. Department of State, International Narcotics Control Strategy Report – 2006, U.S. Relations with the People's Republic of China, Released by the Bureau for International Narcotics and Law Enforcement Affairs March 2006.

¹⁹ 中国政府白皮书 (White Papers of the Chinese Government) , 中国的禁毒 (Narcotics Control in China), p. 146; United Nations Office of Drugs and Crime, *Patterns and Trends of Amphetamine-Type Stimulants (ATS) and Other Drugs of Abuse in East Asia and the Pacific 2005*, (New York, United Nations), p. 50.

²⁰ "China-Philippines Seizes Drugs Worth More Than US\$12m," *The Star*, March 1, 2004; Mary-Anne Toy, "Drug report reveals up to 12 million Chinese addicted," *The Age*, September 27, 2006.

replied that their peers frequently used narcotics, and in Hong Kong 20.6 percent claimed that their friends or classmates used narcotics on a frequent basis.²¹ Here, ecstasy, amphetamine type stimulants and other design narcotics have been the preferred illegal substance of choice for the teens as part of the growing rave culture that has established itself in all major Chinese cities. This is a new form of abuse that is not reflected in the official figures. The official Chinese statistics have focused on the heavy heroin users, and this new population of abusers does not appear on the Chinese radar-screen.

Chart 2: Number of addicts in PRC



Source: UNODC, 2004

Despite an increase of amphetamine type stimulants and designer narcotics, heroin is still the drug of choice and consumed by 71.5 percent of the addicts in China according to official Chinese sources from 2003, while the United Nations' estimates from 2006 puts the figure to be 88 percent.²² Cannabis, ATS and methamphetamine usage have increased dramatically in China since 1997, partly due to the introduction of ecstasy by that time and the growing demand of cannabis in Xinjiang.²³ China is beginning to develop a more "mature" pattern of

²¹ "Drug Use 20 Percent in Taiwan, Hong Kong," *Washington Times*, February 25, 2004. The term used in the surveys was "mild stimulant drugs".

²² 中国政府白皮书 (White Papers of the Chinese Government), 中国的禁毒 (Narcotics Control in China), p.146; United Nations Office of Drugs and Crime, *Patterns and Trends of Amphetamine-Type Stimulants (ATS) and Other Drugs of Abuse in East Asia and the Pacific 2005*, p. 50.

²³ United Nations Office of Drugs and Crime, *2004 World Drug Report*, p. 45-46.

narcotics abuse with a diversified preference of narcotics and varying regional patterns. Heroin is for example used by 99 percent of the addicts in Guanxi while in Fujian and Shanghai, the addicts use a more varied cocktail of drugs (heroin, cannabis, ice, ecstasy, cocaine, etc).²⁴ An increasing amount of ATS and methamphetamine are locally produced and therefore increasingly difficult for the Chinese authorities to intercept.

The volume of narcotics in circulation is increasing rapidly. This can be seen both in increased seizures by the Chinese government but also in a lowering of the price level of narcotics. Chinese law enforcement agencies seized 5477 kg of heroin in 1997, 13200 kg in 2001, 9290 kg in 2002, and as of August 2006 they have seized 9228 kg.²⁵ The retail price for heroin varies between US\$13 to US\$185 per gram with the highest prices being charged in the coastal areas and the lowest prices in the entry points close to Burma, Central Asia, and to a certain extent, North Korea. Chinese drug enforcement officers have claimed that prices are declining in relation to median income which has made it possible for a larger population to afford narcotics. The combination of decreasing costs and increased availability has led to a mushrooming in the number of addicts in the last few years.

The problem for China is not only an increased level of drug abuse but also that the users are getting younger. According to the official statistics based on registered users, 79.2 percent of the addicts are under 35 years of age. These official figures do not take into consideration the increasing problem of ecstasy and the club culture that is developing in China. China View, a news agency in China, claims that the majority of drug users are youngsters in their 20s while people under 18 are the main users of ecstasy (head-swaying pills) quoting officials in Shanghai.²⁶ This is a pattern that has been acknowledged by a variety of NGO's and Chinese medical institutions. Moreover, the trend is not only that abusers are getting younger but the same also applies to HIV/AIDS victims.²⁷ Heroin abuse is increasing, but at a slower pace compared to the abuse of other narcotics in China. This can be explained by the growing youth culture and the increased popularity of ATS and methamphetamine as alternative drugs.²⁸

²⁴ 中华人民共和国公安部 (The Ministry of Public Security of Peoples Republic of China) (www.mps.gov.cn) (March 8, 2004). .

²⁵ Nations Office of Drugs and Crime, *2004 World Drug Report*, p. 205-331.

²⁶ *China View*, Drug Use Of Youngsters On The Rise (June 17, 2004); 今年以来全国禁毒人民战争取得阶段性成效 来自 [Significant progress has been made in the "people's war against drugs" in the first eight months of 2006], 公安部 [The Ministry of Public Security of the People's Republic of China], November 9, 2006,

<www.mps.gov.cn/cenweb/brjlCenweb/jsp/common/article.jsp?inford=ABC0000000000035545>

²⁷ Yan Zhonghua, "Methadone therapy, needle exchanges leading HIV battle", *China View*, October 23, 2006; Howard French, "China's Muslims Awake to Nexus of Needles and AIDS", *The New York Times*, November 12, 2006.

²⁸ United Nations Office of Drugs and Crime, *2004 World Drug Report*, pp. 88-89;

A younger population of drug abusers is also problematic in the sense that they are more sexually active. This has a direct impact on the HIV/AIDS problem since 72.4 percent of the 17 316 registered new carriers of HIV/AIDS were intravenous users in 1999, while the corresponding figure for 2001 was 68.7 percent out of 28 000 infected.²⁹ In 2005, 44 percent of the approximately 70 000 new HIV/AIDS infections were spread through needle sharing.³⁰ This increase in reporting of both HIV/AIDS cases and the intravenous factor is staggering. In 2004, 9787 persons in Xinjiang alone were contracted with HIV/AIDS through needle sharing.³¹ Of the approximately 20 million that live in Xinjiang official estimates point to that 60 000 now are HIV/AIDS carriers.³² The Kashgar prefecture bordering Afghanistan and Central Asia is worst affected, both because it is an important transit region for drugs but also because the region already is inflicted with social problems.³³ The spread of HIV/AIDS as well as the steep rise in number of abusers point to that much of the new transit trade is directed through or in close proximity to this region.

Map 1. Kashgar Prefecture



Source: *New York Times*

Intravenous drug abuse does not only spread HIV/AIDS but also Hepatitis C, that also could be lethal in many cases. The spread of sexually transmitted diseases is

²⁹ 中国政府白皮书 (White Papers of the Chinese Government), 中国的禁毒 (Narcotics Control in China), p.146; 延长 (Ting Chang), 中国对毒品永远说“不” (“China Always Says “No” to Narcotics”), p. 20.

³⁰ Yan Zhonghua, “Methadone therapy, needle exchanges leading HIV battle”, *China View* October 23, 2006.

³¹ Bates Gill & Song Gang, “HIV/AIDS in Xinjiang: A Growing Regional Challenge”, *The China and Eurasia Forum Quarterly* 4, 3 (August 2006): p. 39.

³² Howard French, “China’s Muslims Awake to Nexus of Needles and AIDS”, *The New York Times*, 12 November, 2006.

³³ *Ibid.*

accelerated by approximately 80 percent as female addicts in China turn to prostitution to finance their addiction.³⁴ China has taken a number of important steps in fighting heroin abuse and the spread of HIV/AIDS that follow the tracks of intravenous usage. In 2006, China increased HIV prevention funding to US\$185 million; an impressive increase from the US\$98.7 million assigned in 2005.³⁵ Another important step is the Methadone Maintenance Therapy program that has been initiated in 58 clinics in 10 provinces with funding targeted to reach more than 100 000 people.³⁶ 15 678 persons have been treated in these clinics since 2004, but enrollment is increasing quickly.³⁷ Initiatives such as these are praiseworthy and reflect the importance the Chinese leadership has assigned to the growing threat of narcotics abuse. However, these efforts are far from sufficient and have not been able to reach the most affected and destitute groups in China.

Addiction, crime and prostitution are especially problematic among the so-called floating population, comprising a group of approximately 90-160 million people, a bulk of which are known to be regular drug abusers and sex buyers.³⁸ The new patterns of very mobile abusers have spread the use of heroin all over China and risk spreading HIV/AIDS as well as intravenous use to areas that so far have remained unaffected. The unequal economic redistribution in China has created an increasing number of groups that tend to end up outside the social security nets. These groups are also often more exposed than the more affluent groups but often fail to register in the official numbers.

China and Its Neighbors

The main gateway for drug-trafficking into China has been, and still is, Burma and the Golden Triangle in Southeast Asia. Between 65-90 percent is imported from the Golden Triangle according to various official sources. On a positive note however, the trend is that imports from Burma are decreasing. What is really worrying is the rapid increase in heroin trafficking from Afghanistan into China through its western provinces.³⁹ 5 years ago, when Burma was still a major producer of heroin,

³⁴ 延长 (Ting Chang), 中国对毒品永远说“不” (“China Always Says “No” to Narcotics”), p. 23.

³⁵ “China to increase HIV Prevention Funding to \$185M annually in 2006,” *Medical News Today*, 2007.

³⁶ Kaisa Malinowska-Sempruch & Nick Bartlett, “Who Needs Protecting? Rethinking HIV, Drugs and Security in the China Context,” *The China and Eurasia Forum Quarterly* 4, 1 (February 2006): p. 25-30.

³⁷ Zhonghua, “Methadone therapy, needle exchanges leading HIV battle”.

³⁸ Drew Thompson, “China Faces Challenges in Effort to Contain HIV/AIDS Crisis,” *Population Reference Bureau*, May 2004.

³⁹ 金三角”流入的毒品仍是中国毒品问题主要危害 (The drugs that flow in through the Golden Triangle remains as China’s main drug problem) ,

<http://www.longhoo.net/gb/longhoo/news2004/china/userobject1ai247226.html>; “金新月”毒品加紧渗透中国 毒品通道屡禁不止 (Drugs from the Golden Crescent is rapidly penetrating China, drug routes have been restricted but not stopped), February 19, 2004, <http://www.jschina.com.cn/gb/jschina/news/node4438/userobject1ai408921.html>

there was no reference to imports of narcotics to China from Afghanistan, though some trade probably existed at a low level. In the last two years, estimated import figures have risen from modest numbers under 5 percent to official figures between 10-25 percent. In interviews with security and police personnel, the increase is perceived to be even more significant, with some privately estimating that possibly 20-35 percent is coming from Afghanistan.⁴⁰ A more realistic assessment probably puts the figure at the higher end based on reports from NGOs, hospitals and interviews. The market share for Afghan heroin (and to a lesser degree opium) has increased significantly each year due to the economic development in China and the proximity to heroin producing/refining states which has made heroin more widely accessible to low prices.

The political chaos in Afghanistan and the relatively open borders and transit routes have also made Afghan heroin very competitive in the Chinese markets. The rapid decline of production in Burma has created some turmoil in the transit trade of heroin. In 2006 alone, the land cultivation dropped by 29 percent in Burma while Afghanistan witnessed an increase of the area under opium cultivation from 104,000 hectares in 2005 to 165,000 in 2006.⁴¹ The rapid expansion of Afghan heroin and its increasing share of the Chinese market is impressive and it has made Chinese counter-measures against the narcotics trade immensely more difficult. Primarily because the area that needs to be monitored for drug-trafficking has become larger with the introduction of the Northwestern provinces as expanding transit routes and consumer markets.

The observed shift from Burmese to Afghan heroin is partly due to the Chinese and Burmese counter-offensives against trafficking from Burma, as well as the relatively cheap heroin from Afghanistan. As the Chinese counter-narcotics forces have stepped up their struggle against the heroin trade in Burma, transaction costs in crossing the Sino-Burmese border have increased. Chinese counter-narcotics forces are regularly in fire-exchanges with armed smugglers resisting the Chinese efforts to close the border. Russia is also a possible entry-point for some drugs routed both from Afghanistan, but perhaps more significantly from North Korea. Moreover, the Russian border has also functioned as a departure point for Chinese drugs and illegal precursors. However, the Chinese and Russian authorities have increasingly been trying to tighten border controls and on the 26th of June, 2002 an agreement was signed to monitor the border area between the Chinese province of Heilongjiang and the Russian Border area of Bihai.⁴² The success has been debatable as the region is heavily infested with illegal narcotics; some of it believed

⁴⁰ Private interviews in Beijing, 2005-2006.

⁴¹ United Nations Office on Drugs and Crime, "opium cultivation in golden triangle drops 29 percent in 2006;" October 13, 2006, and UN Press Release "Opium cultivation soars 59 percent in 2006, UNODC survey shows," September 2, 2006
<http://www.unodc.org/unodc/press_release_2006_09_01.html>

⁴² 中俄警方加强合作封堵毒品贩运通道 (Chinese and Russian police step up cooperation efforts to seal the drug transit routes), 中国公安部 (The Ministry of Public Security) (28 June, 2002).

to be of Russian origin, with the remaining coming from North Korea, not to mention the Chinese designer narcotics and precursor trade.⁴³

Cooperation between China and many of its neighbors have been important factors in the relatively successful attempts to curb the narcotics problem. An example of such regional cooperation has been joint investigation initiatives among Chinese, Lao, Thai and Burmese authorities that resulted, for example, in the seizure in 2005 of 426 kg of heroin in Burma and the arrest of Chinese nationals for drug smuggling.⁴⁴ The Chinese counter-narcotics forces have attempted to intercept the transit route running from Burma (primarily the Shan state) and Laos into Yunnan and Guangxi in China which constitute parts of a major transit route to the coastal provinces of Guangdong and Fujian. This effort has opened up alternative routes through the three major port areas in China, namely Qingdao, Shanghai and Tianjin. Similarly, the transit areas in the Northwest, such as the Wakhan corridor, Kulma Pass, Torughart, Khorgos to name a few are all increasingly used to smuggle heroin into China and precursors into Afghanistan for the refinement process. The mode of transportation range from trucks and airplanes for the larger shipments, by foot, or having donkeys carry the load in the most inaccessible areas.

International cooperation among governments has increased, especially between China and the US. Recently, offices have been established in both countries and an increased level of exchanges has been conducted. However, much of this cooperation still suffers from the same problem as all international cooperative efforts in fighting the narcotics industry. Many governments are reluctant to contribute too much sensitive information, and police forces are discouraged from cooperating too closely. There is also a tendency to suspect police and customs-officials from other states to be involved in the trade which impedes any deeper collaborative effort but instead promote mutual suspicions. Different legal traditions and operative schemes also make closer cooperation difficult to implement.

China seized 10836 kg of heroin in 2004 according to the UN and 890 kg of raw and prepared opium during the same time,⁴⁵ which shows that the trade is primarily in heroin rather than the bulky and less profitable opium. As of August 2006, the Chinese authorities seized 9228 kg of heroin.⁴⁶ Chinese police have reported that

⁴³ Interesting to note is that most Chinese law enforcement and military staff refuses to give any details on the North Korean transit route and claims the problem to be of a political nature, neither supporting nor refuting the North Korean involvement.

⁴⁴ Todd Bullock, "China Taking "Great Strides" Against Narcotics Trafficking, State Department annual report cites rise in drug abuse, transit flow," March 1 2006, <<http://usinfo.state.gov/xarchives/display.html?p=washfileenglish&y=2006&m=March&x=20060301163635tjkcollub0.4089929&t=livefeeds/wf-latest.html>>

⁴⁵ United Nations Office of Drugs and Crime, *2004 World Drug Report*, p. 275, 287.

⁴⁶ 今年以来全国禁毒人民战争取得阶段性成效 来自 [Significant progress has been made in the "people's war against drugs" in the first eight months of 2006], 公安部 [The Ministry of Public Security of the People's Republic of China].
www.mps.gov.cn/cenweb/brjlCenweb/jsp/common/article.jsp?inoid=ABC0000000000035545

they seized over 160 tons of precursor chemicals and prevented a further 3514 tons from leaving the country in 2004,⁴⁷ most destined for Burma, Europe and Afghanistan. In the first eight months of 2006, China seized 117 tons of precursors and prevented another 576 tons from leaving the country.⁴⁸ The pattern behind the seizures of precursors shows that the trade is shifting towards Afghanistan, both because it produces the vast majority of opium in the world and because heroin is refined within Afghanistan to an increasing extent today. Estimates from the US intelligence community claims that the majority of Chinese precursors will be exported to Afghanistan in the next two to three years time due to the relative decline of Burma as a producer. Some even claim that the majority of the export is already going westwards into Afghanistan, Central Asia and Europe. The production of heroin in Burma will however continue to take the route via China, and Burma is estimated to continue to be China's principal supplier for approximately another 5 years according to private estimates by senior officials in China.⁴⁹ This estimate is valid if the number of addicts is stagnant, however declining production in Burma combined with increased demand in China will give Afghan heroin a larger role. The prior importance of southern China as a transit route was due to its topographical advantages and its largely uninhabited 4060 kilometer inaccessible border region. The transit trade from Afghanistan through Pakistan and/or Central Asia benefits equally from practically inaccessible and huge geographical areas that are virtually impossible to monitor. Border-crossings are set to become even more vulnerable to smuggling as infrastructural investments in roads and bridges are underway in the region.

The fastest growing consumer markets in China are in the Northwest provinces, especially Xinjiang and the major cities on the east-coast, even if the worst problems are found closer to Burma due to its relatively long history as an access point.⁵⁰ China has experienced an 11 percent increase of narcotics abusers from 2001 to 2003— the majority being heroin users even if the fastest growing rate of addiction is among ATS and methamphetamine users (such as bingdu and ecstasy). According to official Chinese figures, the increase in Xinjiang and the

⁴⁷ U.S. Department of State, International Narcotics Control Strategy Report – 2006, U.S. Relations with the People's Republic of China, Released by the Bureau for International Narcotics and Law Enforcement Affairs March 2006.

⁴⁸ 今年以来全国禁毒人民战争取得阶段性成效 来自 [Significant progress has been made in the "people's war against drugs" in the first eight months of 2006], 公安部 [The Ministry of Public Security of the People's Republic of China].

⁴⁹ Private interviews Beijing, 2005-2006.

⁵⁰ 金三角"流入的毒品仍是"中国毒品问题主要危害(The drugs that flow in through the Golden Triangle remains as China's main drug problem); 加强务实合作 共谋和平发展 (Re-enforcing pragmatic cooperation for collective peaceful development) ——在上海合作组织塔什干峰会上的讲话 (Speech at the SCO Tashkent Summit), 胡锦涛 (Hu Jintao) Hu Jintao's speech at the SCO summit, Tashkent, June 17, 2004, <<http://www.fmprc.gov.cn/chn/wjdt/zyjh/t140098.htm>>

Northwestern provinces might be double that figure.⁵¹ There are estimates that put the figure as high as 180 000 narcotics abusers in Xinjiang alone as of 2005.⁵² This increased demand of narcotics will in itself boost the role of Afghanistan as a drug export center to China's Northwestern region. Both because of distance, Burma is further away carrying higher transport costs, but also because improved Chinese counter-narcotics efforts in the border region have raised the transaction costs and risks involved.

Central Asia and Afghanistan

China receives much of its narcotics imports from the Central Asian states that act as a transit line from Afghanistan. This import of heroin is rapidly increasing in relative and absolute terms when seen in comparison to the import from the Golden Triangle. Despite the fact that Central Asia is not a main producer of heroin, it has been important for the smuggling of precursors to Afghanistan and possibly Europe even if the European market for Chinese precursors is a minor one at this point in time. The importance of Central Asia as a transit route, and possible export market, for Afghan heroin to China and vice versa for the precursor trade has increased dramatically, this especially through Khorgos and Torughart. According to Chinese military sources, Central Asia has witnessed an impressive surge in transit-volume as part of the Chinese transit network.

The reason for this is China's attempts to close the Sino-Afghan border which has increased the appeal of both Central Asia and Pakistan as alternative transit routes. In addition, the possibility of using the Sino-Afghan border is limited by topographical conditions. The border is only 76 km and the Wakhir pass, which is the only accessible route, is closed almost 6 months of the year due to weather conditions. The Central Asian states that would be most vulnerable in such a network is Kyrgyzstan and Tajikistan since both provide easy access into China and Afghanistan, due both to corruption at the national level and involvement in the narcotics trade by the elite. Kyrgyzstan and Tajikistan have also ethnic links that stretches over the borders to China. This has simplified the transit trade immensely and made it very difficult to infiltrate the criminal networks by the Han-Chinese police.

Pakistan is not a major transit route to China due to the high transaction costs involved in such operations. Chinese border troops and local officials together with their Central Asian and Afghan counterparts are more involved in the drug trade and are therefore easier to corrupt and engage in the trafficking of narcotics. This might change in the near future as Afghanistan, Iran and Pakistan, often referred to as the Golden Crescent is taking over more and more of the production of heroin. This will likely lead criminal networks to shift their attention towards

⁵¹ 中国公安部禁毒局官员谈中国的禁毒工作 (The anti narcotics bureau officials of the Chinese Ministry of Public Security talks about China's anti-drugs efforts), June 14, 2004 <<http://www.fmprc.gov.cn/chn/zxxx/t143074.htm>>

⁵² Gill & Gang, "HIV/AIDS in Xinjiang: A Growing Regional Challenge", p. 38.

Afghanistan and its neighbors. Many Chinese officials have reported uneasiness with the Pakistani border recently, as it could open up a new transit route of heroin to China and precursors to Afghanistan.

North Korea

North Korea is another front in the war against narcotics. This is not only devastating on a socio-economic level, but politically sensitive too. Many Chinese officials have either denied any North Korean involvement in the narcotics trade or claimed that this is a political problem beyond their reach.⁵³ The reality is that much of the narcotics in Northeast Asia (including Russia) today originate from North Korea and even states as far away as Australia have severe problems with narcotics originating from the country.⁵⁴ It is impossible with the limited information available to estimate the magnitude of the trade. It is however evident that an increasing number of seizures of North Korean heroin has been made. It is normally assumed in the West that the North Korean government is involved in the drug trade and there have been persistent accusations from the US, Japan, Australia and others for a long time that the North Korean government is directly involved in narcotics production. However, there is no direct evidence of the North Korean government's involvement since the 1970s when several North Korean embassies were caught selling narcotics, reportedly to sustain their diplomatic activity.⁵⁵ The lack of appropriate measures from the North Korean government and the failure to provide valid information of the North Korean involvement in the narcotics trade is troubling.

The United Nations World Drug Report has not referred to North Korea as a major producer or transit country. This is primarily due to the lack of information about the narcotics situation in the country. However, there have been unofficial references to North Korea as an emerging problem from especially Japan and Australia. The increasing seizures of large amounts of heroin smuggled by North Koreans to Australia, Japan and other important consumer states do indicate a disturbing development of major export-lines of heroin through North Korean criminal networks.⁵⁶ In contrast to the earlier, relatively minor exports size, this

⁵³ Interviews with Chinese officials 2004-2006.

⁵⁴ "Dozens of North Korean Diplomats Caught Smuggling Drugs", *Radio Free Asia*, December 15, 2004; Larry Wortzel, "North Korea's Connection to International Trade in Drugs, Counterfeiting, and Arms" *The Heritage Foundation*, May 20, 2003.

⁵⁵ David Asher, "The North Korean Criminal State, its Ties to Organized Crime, and the Possibility of WMD Proliferation", *Policy Forum Online*, November 15, 2005; Balbina Hwang, "Curtailing North Korea's Illicit Activities", *Backgrounder*, The Heritage Foundation, August 25, 2003.

⁵⁶ Raphael Perl, "Drug Trafficking and North Korea: Issues for U.S. Policy", *CRS Report for the Congress*, December 5, 2003; Benjamin K. Sovacool, "Constructing a Rogue State: American Post-Cold War Security Discourse and North Korean Drug Trafficking", *New Political Science* 27, 4 (December 2005): pp. 497-520.

indicates a more aggressive trend and an increasingly important role of North Korean heroin on the world market.

Part of the evidence of North Korean involvement can be seen in the large quantities of heroin available in border areas close to North Korea, such as Dalian (Port Arthur), Jilin and Shenyang.⁵⁷ This situation may be partly due to the transit trade from Afghanistan to the eastern part of Russia, but the high concentration of narcotics is more likely to indicate the existence of direct trade from North Korea. There have been several seizures of heroin from North Korea reported in Japan and Australia but very few reported by China.⁵⁸ Several Chinese police sources have privately expressed it very clear, to this author, that North Korea is an emerging actor in the drug trade. Some even estimate the North Korean trade to be the third largest supplier of heroin into China after Burma and Afghanistan.⁵⁹ While there are neither official information nor public debate about this issue, reports from hospitals and civil society in China do appear to second such an opinion.⁶⁰

There are strong indications that North Korean criminals are working closely with Russian and Chinese criminal organizations in the Chinese heroin trade. The extent of this cooperation remains however unknown. It is evident that the Russian Far East is an increasingly lucrative transit route for North Korean narcotics and thus, it is unsurprising that the Chinese triads are involved in much of the criminal activity in the region. Many Russians are part of the Chinese criminal organizations, but the Chinese organizations do not seem to control the narcotics trade.⁶¹ The narcotics trade in the Russian Far East is largely dominated by Tajik, Kazakh, Chechen and other Central Asian criminal networks. This is directly connected to the already established structure set up in the Russian Far East and Central Asia. This structure has opened up for Afghan narcotics, but it still seems to be the North Korean drugs that are the fastest growing product in the Russian Far East and Northeast China. With the combined strength of North Korean production and an open transit route from Afghanistan to Russia's Far East, it is safe to assume that Northeast China will see an increase in its narcotics supply and a decrease in prices. The strong Central Asian network in the Russian Far East confirms reports that Afghan heroin is prevalent in the Northeast region of China, but it seems that this trade is reinforced by an increasingly strong North Korean production of heroin and a weak Chinese readiness to handle this. As the Sino-DPRK relation is increasingly strained we might see a more active, and much needed, policy change at the Sino-DPRK border.

⁵⁷ A smaller supply in areas away from the borders indicates a concentration of smuggling activities in border areas. "China seizes 12 tons of drugs in past five years," *Xinhua News Agency* August 3, 2004; Nick Squires, "North Korea are linked to heroin haul in Australia", *South China Morning Post*, May 28, 2003.

⁵⁸ "N Korea 'trafficking drugs'", *BBC News*, March 2, 2004; Kim Young Il, "North Korea and Narcotics Trafficking: A View from the Inside", *North Korea Review*, The Jamestown Foundation February 27, 2004.

⁵⁹ Interviews with drug enforcement personnel, security forces and police in China 2004-2006.

⁶⁰ Interviews in China 2004-2006 with medical staff and civil society in northern China.

⁶¹ Bertil Lintner, "Chinese Organised Crime", *Global Crime* 6, 1 (2004).

China as a Producer

China has traditionally been primarily an importer of narcotics, especially from Burma. This has changed in the last few years and China has emerged as a producer and exporter of crystal methamphetamine (ice, shabu, bingdu), Methylenedioxymethamphetamine (MDMA) (ecstasy) and chemical precursors – such as pseudoephedrine and ephedrine – that are primarily used for heroin and cocaine production.⁶² China is today one of the major producers of precursor chemicals in the world, and it produces, for example, more than 100 000 metric tons of acetic anhydride each year.⁶³ This is a new trade which is hidden in the legal production and export. The Chinese government has taken this problem seriously and has launched several initiatives to curb the illegal export of precursors.⁶⁴ China's emergence as a narcotics producer is a new phenomena and although China is still a net importer of heroin, it has become a net exporter of synthetic drugs and precursors according to reliable governmental sources in China.⁶⁵ Opium is locally produced in Yunnan, Ningxia, the Northwestern areas and Inner Mongolia, but in very small quantities and this is not refined into heroin but consumed locally in traditional ways among the rural minority populations.

The narcotics produced in China (primarily crystal methamphetamine and phenylpropylamine) are to a large degree consumed domestically though there are indications that exports are on the rise. The narcotics consumed are primarily ice, MDMA and other chemical narcotics in the major cities, cannabis in the Northwestern provinces, and a small opium production that is primarily used locally. The sale of Chinese crystal methamphetamine and phenyl propylamine is today primarily a domestic affair, but trade is increasing with the US, Russia, Central Asia and other states in the Pacific region.⁶⁶ It seems that narcotics produced in China follow the tracks of the Burmese heroin that is first smuggled

⁶² United Nations Office of Drugs and Crime, *2006 World Drug Report* (New York: United Nations, 2006); 中国政府白皮书 (White Papers of the Chinese Government), *中国的禁毒* (Narcotics Control in China), 2003.

⁶³ United Nations Office of Drugs and Crime, *2006 World Drug Report*.

⁶⁴ 今年以来全国禁毒人民战争取得阶段性成效 来自 [Significant progress has been made in the "people's war against drugs" in the first eight months of 2006], 公安部 [The Ministry of Public Security of the People's Republic of China], November 9, 2006,

www.mps.gov.cn/cenweb/brj/Cenweb/jsp/common/article.jsp?infoId=ABC0000000000035545; *中国禁毒报告》发表(全文)* [Annual Report on Drug Control in China, 2006] http://news.xinhuanet.com/legal/2006-06/23/content_4738474.htm

⁶⁵ Private interviews in Beijing, 2005-2006.

⁶⁶ “金三角”流入的毒品仍是中国毒品问题主要危害 (The drugs that flow in through the Golden Triangle remains as China's main drug problem); 加强务实合作 共谋和平发展 (Re-enforcing pragmatic cooperation for collective peaceful development) ——在上海合作组织塔什干峰会上的讲话 (Speech at the SCO Tashkent Summit), 胡锦涛 (Hu Jintao), June 17, 2004.

through China to end up in the markets of the US and Japan, although the Central Asian states and Russia seem to be target destinations for Chinese narcotics too. An increase in seizures of Chinese narcotics and precursors in Central Asia and Europe has also been reported by both the UN and different national drug control agencies. If this export reinforces the traditional import, the Chinese criminal networks could be prominent actors in this trade in the near future.

Most important is however not the export of narcotics but the export of chemical precursors to the Golden Triangle mentioned earlier. Recently the export of precursors has to a higher degree shifted to Afghanistan, Europe and possibly Central Asia rather than the traditional market in Burma.⁶⁷ The central position China has in producing legal precursors has inevitably created a black market of precursors directed towards the narcotics trade. The trade in precursors is mainly with the producing states in Asia and then especially Burma and Afghanistan, but also with Europe. Europe has become an important importer of chemical precursors and Chinese intelligence believes that outside of Afghanistan and Burma, Europe will become the main destination of Chinese precursor chemicals.⁶⁸ Specifically in the heroin trade, China has begun to export precursors to Burma and Afghanistan and has in return imported refined heroin. This puts Central Asia as an attractive transit region and the booming trade in precursors will create new routes for heroin to enter China. It is also assumed that the precursor trade will tie the European, Central Asian and Russian criminal networks closer to Chinese criminal networks, where the Chinese police fears that this will both increase profits and security for the smugglers while making narcotics interception more difficult. In an effort to decrease profitability for the Chinese criminal organizations and to prevent further

⁶⁷ 中国制定禁毒工作五年规划 (China's Five-year drug control plan), <http://www.china.org.cn/chinese/law/591563.htm>; 我国参与国际禁毒双边、多边合作情况 (Our country is bilaterally and multilaterally engaged in the international anti-narcotics effort) <http://www.people.com.cn/GB/shehui/212/8467/8471/2593207.html>; 中国公安部禁毒局官员谈中国的禁毒工作 (The anti narcotics bureau officials of the Chinese Ministry of Public Security talks about China's anti-drugs efforts) (中华人民共和国外交部新闻稿 – PRC Ministry of Foreign Affairs Press and Media Service)

2004年7月14日上午, 外交部外国记者新闻中心邀请中国国家禁毒委员会常务副秘书长、公安部禁毒局局长杨凤瑞就中国毒品形势、中国政府采取的禁毒措施、取得的成效以及下一步禁毒工作等向中外记者和驻华使馆新闻官介绍情况。外交部新闻司副司长刘建超主持吹风会。(On 14 July, 2004, the PRC Ministry of Foreign Affairs Press and Media Service invited China's National Narcotics Control Commission (NNCC), vice Secretary-General, and Director of the Anti-Narcotics Bureau of the Ministry of Public Security, Yang Fengrui to give an account of China's drug situation, the anti-narcotics measures taken by the Chinese government, the success attained, as well as the steps ahead to be undertaken, etc. to Chinese and foreign journalists. The Director-General of the Information Department of the PRC Ministry of Foreign Affairs, Liu Jianchao presided over the briefing.) <http://www.fmprc.gov.cn/chn/zxxx/t143074.htm>

⁶⁸ “金三角”流入的毒品仍是中国毒品问题主要危害 (The drugs that flow in through the Golden Triangle remains as China's main drug problem).

criminalization of the local communities and customs, the Chinese authorities have targeted the precursor trade specifically. Partly through the earlier mentioned administrative law from 2005 but also through export and production restrictions on top of this.

State Infiltration and Actors

The main producers and traffickers from Afghanistan to China are known to be the members of the Northern Alliance.⁶⁹ What is more difficult to ascertain is who the smugglers are on the Chinese side. Most of the traffickers are believed to be the Chinese Triads such as the grouping named 14K, but also ethnic Chinese groups living outside China that are loosely connected to the Triads. The trafficking from the Golden Triangle is conducted through effective cooperation between these Triads and militants, most importantly 14K, and the United Wa State Army (UWSA) and the Myanmar National Democratic Alliance Army (MNDAA—Kokang Chinese). These organizations are virtually unrestricted to operate in their respective regions and are free to engage in the narcotics trade as long as the national unity is preserved, which it also has been since the early 21st century.⁷⁰ The UWSA has, as a result, together with many other rebel organizations in Burma, positioned itself as one of the largest narcotics-producers and trafficking groups in Southeast Asia, producing increasingly large amounts of methamphetamine as the Burmese heroin trade has been declining in the last few years.⁷¹ 95 percent of the opium production is, according to the UN, produced in the Shan state and there have been indications that the Wa region is virtually poppy free.⁷² Impressive efforts by the local government have been made to curb the dependency on the narco-economy, even if it has failed to intercept the activities of the UWSA. Similar tendencies to trade off trafficking and production for relative political stability are seen in Afghanistan. Following the Northern Alliance's assistance in helping the West combat the Taliban, the West turned a blind-eye to Northern Alliance activities and gave a *de facto* carte blanche for them to produce opium and

⁶⁹ The Northern alliance (also known as the United Islamic Front for the Salvation of Afghanistan (UIF), *Jabha-yi Muttahid-i Islami-yi Milli bara-yi Nijat-i Afghanistan*) is the military grouping of primarily Tajik, Uzbek, Persian speaking and other non Pashtu elements that successfully defeated first the Soviets and then the Taliban. It has since then been the primary collaboration partner for the West in the Afghanistan operation.

⁷⁰ Most of the leaders of separatist organizations in Burma has been tied to narcotrafficking at some time, these include, but are not excluded to: Peng Jiasheng and Liu Goushi of the MNDAA; Pao Yuqiang, Li Zuru, and Wei Xuekang of the UWSA; Mahtu Naw of the Kachin Defense Army (KDA); and Yawd Serk of the Shan State Army South (SSA South), U Sai Lin (Lin Mingxian) of the Eastern Shan State Army (ESSA). U Sai Lins territory is most likely the most used trafficking route because of its strategic location along the border with China. <<http://www.globalsecurity.org/military/world/para/wa.htm>>

⁷¹ UNODC, "Opium Poppy Cultivation in the Golden Triangle", October 2006 http://www.unodc.org/pdf/research/Golden_triangle_2006.pdf

⁷² Thet Khaing, "No opium production in Wa region: Survey", *The Myanmar Times*, January 30–February 5, 2006, <www.myanmar.com/myanmartimes/MyanmarTimes16-302/n011.htm>.

heroin. This has also created a dilemma for the Chinese government as it is inclined to support the Northern Alliance instead of a re-emerging Taliban movement or any new movement with fundamentalist Islamic values that could potentially destabilize the situation in Xinjiang.

The assumption from the Chinese side is that Muslim terrorist and separatist groups in Xinjiang are involved in both the smuggling of drugs to China and precursors from China. Chinese President Hu Jintao has, for example, claimed that there is a close relationship between the international drug trade and separatism, extremism and terrorism in China.⁷³ In interviews and official documents, there are however few who can provide names and evidence on direct involvement in the drug trade by these groups, even if different East Turkestan liberation movements have been frequently cited as perpetrators. Failure to give convincing evidence from the Chinese in attempting to link these movements to the narcotics trade indicates that they are not involved to the degree that the Chinese government would like us to believe. It is more likely that traditional organized criminal networks organize the trade, sometimes in cooperation with separatist and terrorist groups, but in no way exclusive so.

The connection between Chinese Muslim militants and their “brethren” in the Central Asian states and Afghanistan should however not be dismissed. A large number of militants have received training in Afghanistan under the Taliban and created strong networks that could be used to traffic drugs and precursors. In interviews by the author with Uyghur activists in Beijing, they claimed that the struggle for their “cause” is increasingly dependent on narcotics trade and organized crime in general, and that ethnic and ideological ties with Afghanistan facilitate this trade. It is however unlikely that these organizations are responsible for all the trafficking. There have also been suspicions of involvement by some corrupt Chinese border polices, local politicians and military in the trade and this has been privately confirmed by some military sources. The ethnic component is, as previously mentioned, important but is largely limited to criminal organizations that overlaps in China, Tajikistan and Kyrgyzstan.

The internationalization of the trade has also been visible in China. Chinese criminal gangs not only cooperate with Burmese traffickers but increasingly with Colombian criminal networks and they have begun to penetrate weak states and poorly guarded borders, where the Northeast Asian provinces in China and the Central Asia region seem to be some of the main targets. There are some intelligence reports that claim a well developed relationship between criminal organizations in China and militants and warlords in Afghanistan and Central Asia. The extent of the proposed relationship is unclear, but it would explain the expansion of trade with China’s Western provinces.

⁷³ 加强务实合作 共谋和平发展 (Re-enforcing pragmatic cooperation for collective peaceful development) ——在上海合作组织塔什干峰会上的讲话 (Speech at the SCO Tashkent Summit), 胡锦涛 (Hu Jintao).

Narcotics related corruption is rarely reported in media and the government claims that there are relatively few such cases. Most cases of reported narcotics related corruption in China involve low-level officials in the border provinces neighboring Afghanistan, Burma, Taiwan and Hong Kong. So far there has been no official evidence surfacing that senior officials are co-opted or corrupted by narcotics money. Yet, the sheer size of the narcotics trade in China today and the smuggling of precursors indicate that there has to be some involvement of corrupt officials in the border areas as this smuggling is simply too large to be conducted without official assistance. Taking Afghanistan as an example, it would not be too difficult to close that border section off and to stop large parts of the smuggling of heroin and precursors. The current level indicates some complicity from police, military or customs officials. The same is true of Burma, even if that border section is far more difficult than the Afghani border to seal off and defend.⁷⁴ The Central Asian states have borders that are relatively easy to penetrate in part because of the direct involvement of senior government officials in the smuggling trade.

Money laundering and other criminality related to the narcotics trade seem to be more related to traditional organized crime and there is up till today no senior PRC official that has been connected to narcotics money, although there have been several senior officials found guilty of high level corruption, embezzlement, power abuse and fraud. China's economic development and internationalization has made it an attractive laundering state as its financial regulations are still relatively weak. There have been some Chinese attempts to prevent an infiltration of the Chinese banking system. This is a much needed initiative that could play out well if it increases the transaction costs and decreases the potential profits for the criminal organizations. The criminal organizations would target economic institutions with weak regulations and enforcement, as well as states with relatively prosperous and well-developed economies. If any significant improvement in this field would follow, it would force the narcotics-industry to rethink using China as a major laundering site and focus on weaker states and economic institutions.

In interviews with senior officials,⁷⁵ these have however indicated that the narcotics trade has corrupted more senior officials than earlier been known. There have been some charges that it is now more difficult to act against the narcotics trade due to some individuals' direct involvement in the trade. These allegations are however rare and it seems that most senior officials are in no way implicated in the narcotics trade.

⁷⁴ 海洛因从这里流向世界，毒品弄脏“丝绸之路” (Heroin from here flows to the rest of the world, drugs taint the "Silk Road"), February 18, 2004

<http://www.chinadaily.com.cn/gb/doc/2004-02/18/content_307027.htm>; 加强务实合作 共谋和平发展 (Re-enforcing pragmatic cooperation for collective peaceful development) ——在上海合作组织塔什干峰会上的讲话 (Speech at the SCO Tashkent Summit), 胡锦涛 (Hu Jintao).

⁷⁵ Private interview in Beijing, 2005-2006.

As noted, there is very little evidence that Chinese separatist groups are involved on the Chinese side. It is however more likely that Islamic Movement of Uzbekistan and other groups are involved in assisting trafficking into China, even if most of IMU's structure is presumed to have been destroyed with the initiation of Operation Enduring Freedom in Afghanistan. There have been some indications from military officials that they "share" problems with Tajikistan and Uzbekistan with regards to narcotics trafficking and terrorism.⁷⁶ Militants of different sorts have been involved in the trade within China, some supportive of the separatist struggle in Xinjiang and Tibet, but most are more related to "international terrorist" networks. Corresponding to President Hu Jintao's statements, several military officials have made an explicit connection between terrorism and narcotics trade. Police officials and narcotics officers have been more reluctant to make that connection; although they admit the existence, the significance is downplayed when compared to the trade at large.⁷⁷ This said, it seems evident that most of the traders in China are economic players and not political.

The trade with Burma has directly involved separatists such as the Shan state and the MNDAA that has fought a long and bloody war against the Burmese government. Moreover, it is apparent that North Korea has increased its heroin trade to China, both through Russian criminal networks and directly through the North Korean minority in China and through Chinese officials. Interviews with North Korean and Chinese officials indicate that this is a problem on the rise affecting their bilateral relations negatively, especially since it is in all likelihood supported by the North Korean government, at least tacitly.

In short, there is little reliable evidence that separatists, extremists and terrorists are controlling the trade and even though they may be involved in some manner, participation seems to be limited to minor operations. There seems to be more evidence that the trade is driven by purely economic incentives from traditional criminal organizations, although it cannot be ruled out that political groups have made significant inroads in the trade.

Winning the Opium War?

Despite some concerted efforts, the war against narcotics have met with limited success as witnessed in terms of a growing number of addicts and increasing volumes of smuggled heroin, opium, precursors as well as domestic production. On the other hand, it may be regarded as a success in terms of the engagement displayed from the Chinese government, and the relatively low level of corruption in the state, which normally follows the tracks of the narcotics trade. Without the measures China has enforced, the drug problem in China would have been much worse. It should also be noted that China is far below the international average of drug-abuse which stands at 5 percent of the total population. Even if the level of narcotics abuse reaches 10 million, it would still be less than one percent of China's

⁷⁶ Private interviews in Beijing, 2005-2006.

⁷⁷ Private interviews in Beijing, 2005-2006.

total population which currently totals 1.3 billion. Even if the number of abusers would increase with a few millions, China's drug situation still remains well below the international average. However, it must be recognized that the situation is rapidly getting worse and China is in many ways the fastest growing market for narcotics, especially with a booming economy and easy access.

China is facing a number of challenges with its increased international engagement and improved standards of living. The open door policy has both made it easier to conduct legal trade with the outside world and attract foreign investments but it has also created a climate more conducive to the laundering of illicit proceeds. The legal trade has promoted GDP growth which has increased the purchasing power of the Chinese population and this, in turn, has stimulated the revenues available in the illegal narcotics market. As the legal Chinese market further grows, the potential profit for the narcotics traders is also set to increase exponentially. Similarly, the growing openness of the Chinese economy has made it easier for smugglers to penetrate China's borders and launder criminal assets in and out of China. As in many other parts of the world, banks in China are used in laundering criminal proceeds, much of which can be controlled but unfortunately some of which will be difficult to prevent. Open economies and increased economic interaction have brought increased costs to each state, some of which are directly related to organized crime and the narcotics trade. The Chinese government has both to further its open-door policy while simultaneously put safeguards to filter out the illegal narcotics trade. This is a situation that is difficult to resolve without major compromises that are, possibly, too politically sensitive to make.

China's problem is that there are currently good transit lines to and from China with rapidly improving infrastructure, but relatively weak border controls. It will be impossible to control all existing border crossings due to the enormous geographical area China encompasses and the relatively few police and border officials able to work on these issues. Much of the war against the narcotics trade will have to be conducted through a coordinated effort by increasing transaction costs for smugglers. This includes tighter control of the borders but more importantly, by assisting production states in their struggle against the narcotics industry, much of which was done in Burma where the Chinese police gave assistance in training and operational support to its Burmese counterparts. To make this possible, there will be a need for greater cooperation between China and other countries' drug control agencies.

Criminals neither respect state sovereignty nor national boundaries. For the criminal organizations, weak borders and different policing systems are their best assets in smuggling. This is because different legal policies and limited international cooperation make border control difficult and borders relatively easy to penetrate. Cooperation exists but there needs to be more integration among production, transit and consumer states. It is also evident that China's narcotics problem will continue as long as the weaker states in China's immediate proximity cannot resolve their own drug-problems. To step up the fight against the narcotics industry, China, and many other states, will need to equip the producing and

transit states with tools to fight the illegal narcotics industry. This was done relatively successfully by China in Burma, but much remains to be done to effectively control the problem.

The Chinese government claims that the war against narcotics will be won, but this will be hard to realize without simultaneously countering demand and the comparative advantage that the criminals have. The problem is further exacerbated by the demonstrated resilience of the drug trade. If the heroin trade is controlled, designer drugs may act as a substitute, and if Afghanistan manages to decrease production the heroin trade is highly likely to move to another state. Thus, the focus has to be on decreasing and controlling the demand and transit of narcotics in order to increase transaction costs and prevent a criminalization of the society. Profit is the primary interest driving the narcotics trade and to deal with this business the efforts have to be directed toward decreasing potential profits and increase the risk for traders.

The Chinese Strategy on Drug Control

Yin He*

Since the end of 2003, the Chinese government has begun to experimentally adopt the Methadone Maintenance Therapy Program (*Meishatong Weichi Liaofa*) to combat drug abuse. The Pilot Needle Exchange Program (*Zhentou Jiaohuan Jihua*) has also been gradually popularized to address the drug-related HIV/AIDS spread. At the same time, the “People’s War on Drugs” (*Jindu Renmin Zhanzheng*), a nationwide counter-narcotics campaign was launched in 2005, and the government has encouraged private initiatives to run drug rehabilitation centers. It has also expanded international cooperation on drug control with its neighbors and other international partners like the United Nations (UN). Besides these efforts, the National People’s Congress (NPC, *Quanguo Renda*) is working on a counter-narcotics law. All of these measures send a clear message to the world that China has become more and more serious, cooperative and flexible in its drug control strategy and after two decades of learning and exploring, China has now developed a comprehensive strategy on drug control. Nevertheless, there are some remaining challenges which indicate that more is to be done in the fight against illegal drugs. This chapter will discuss the strategy that China is currently applying in drug control and the major challenges that it will face in implementing this.

The Three Decades of Quiet

In 1949, right after the founding of the People’s Republic of China (PRC), the Chinese government attached great importance to drug control and adopted harsh measures to counter this threat. Back then, the central government issued the counter-narcotics administrative order requiring the local governments and military administration committees (*Junzheng Weiyuanhui*) to set benchmarks for eradicating drug abuse. At this point in time, counter-narcotics received a broad political support-base and enthusiastic participation of the masses.¹ Three years later China declared to the world that it had solved the mainland’s drug problem, which by then had plagued China for more than one century. In the following three decades or so, China managed to control narcotics production while the rest

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¹ Tian Jianjun [田建军], “An Analysis of the Reasons for the Successful Drug Control in the Early Years of New China” [试析建国初期禁毒斗争成功的原因], November 2, 2006, <http://xbsk.xjtu.edu.cn/news_info.php?id=57>

of the world, including the western countries continued to struggle against this proliferating industry.

The good days did not last long, however. In 1979, when China adopted the opening up policy, the drug problem was one of the early domestic security threats that followed China's liberalization, although Beijing eventually managed to control this relatively well at this point in time. But since then China has once again been involved in a war against drugs. In the late 1970s, the Southeast Asian countries, in particular, Thailand and Burma/Myanmar, adopted more stringent enforcement against drug trafficking. This forced organized drug groups in these countries to use China as a transit route to the international market outside Asia. Starting as a transit state, the spillover effects gradually turned China into a lucrative market too, especially when the policy of reform and opening up benefited the economy and society experienced unprecedented changes, not to mention, growing affluence. To make the situation even worse, the relevant Chinese legislative and law enforcement authorities did not have the necessary expertise and knowledge to deal with the drug problem since this criminal activity had been absent from the mainland for such a long period of time.

Early Efforts in Drug Control

From the late 1970s till 1990 or so, China mainly served as a drug trafficking transit route, starting from the Golden Triangle² via China towards lucrative markets like Hong Kong and the United States. At that point in time, China's own population did not appear to have suffered too much from drug addiction. For example, in 1990, the official figure of addicts was merely a little more than 100,000, just about one person in every 100,000 of the total population.³ Notably, at that time, few resources were allocated to addressing the drug problem since the whole country was still recovering from the wounds of the "Cultural Revolution" and attention was tuned towards modernizing the Chinese economy. During that period of time, the Chinese government's drug control efforts were basically focused on counter-narcotics legislation and law enforcement.

On 1 July 1979, the first Criminal Law of PRC (*1979 Criminal Law*) was promulgated on the Second Session of the Fifth National Peoples' Congress (NPC). Article 171 of the law stipulates manufacturing, trafficking and transporting drugs as crimes, and sanctions relevant punishments.⁴

² The Golden Triangle is a place where Burma/Myanmar, Laos and Thailand border each other. It has an area of 150,000-200,000 square km.

³ In 1994, the population of the mainland of China was 11.985 billion. See "China's Population and Its Structure" [人口与结构], January 1, 2005, <<http://www.china.org.cn/chinese/ch-sz2005/biao/4-1.htm>>

⁴ *The Criminal Law of the People's Republic of China* (1979) [中华人民共和国刑法(1979)], <http://www.ahga.gov.cn/government/fagui/xflf/low_view20.htm>.

In 1983, drug-related crimes were, for the first time in 30 years after the founding of PRC, classified as one of the major targets during the nation-wide “Strike Hard” (*Yanda*)⁵ campaign. In the same year, Article 171 of the Criminal Law was revised by the Standing Committee of the National People’s Congress (SCNPC) (*Quanguo Renda Changwu Weiyuanhui*). According to the revision, serious cases of manufacturing and trafficking in drugs were to carry life imprisonment or even the death penalty. However, these harsh measures were temporary because when the “Strike Hard” campaign came to a close, the drug-related enforcement continued to follow the general *1979 Criminal Law*, according to which the regular punishment is about five years imprisonment plus some fine or confiscation of property.⁶

In the early 1990s, China became an attractive consumer market for illegal drugs, and drug abuse activities were reported from as many as 70 percent of China’s counties and cities.⁷ The number of drug addicts registered with the public security organs in 1991 was 148,000, a figure which rose to 520,000 in 1995.⁸ After the mid-1990s, the situation worsened, with the annual reported drug seizures staying high. In addition, the number of addicts continued to grow while drug-related crimes and infectious diseases like HIV/AIDS started to seriously threaten society.⁹ This explains why the Chinese authorities began to attach more attention towards the deteriorating drug situation starting in the early 1990s.

On 28 December 1990, *The Decision on Drug Control* (*Guanyu Jindu De Jueding*) was issued by the Standing Committee of the National People’s Congress.¹⁰ It is stipulated here that trafficking of more than 50 grams of heroin or 1000 grams of opium, carries a sentence of life imprisonment or even the death penalty. In fact, *The Decision on Drug Control* has much more significance than this. When the *1979 Criminal Law* was passed, the legislators failed to anticipate the seriousness of the drug threat¹¹ and therefore did not set adequate and concrete punishments for drug-related crimes. *The Decision on Drug Control* is thus to be understood as an important supplement to the *1979 Criminal Law*. It marked a new era of counter-

⁵ “Strike Hard” [严打] in Chinese context is a special law enforcement campaign, during which the criminals can receive punishments harsher than usual. It was sometimes used in 1980s.

⁶ *The Criminal Law of the People’s Republic of China (1979)* [中华人民共和国刑法(1979)] <http://www.ahga.gov.cn//government//fagui//xflf//low_view20.htm>.

⁷ Anh-Thu Phan, “China’s Drug Nightmare”, *South China Morning Post*, October 18, 2002.

⁸ *White Paper on Narcotics Control : 2000* [2000 年中国禁毒白皮书], June 1, 2000, <<http://www.china.org.cn/e-white/1/1.foreword.htm>>

⁹ Niklas Swanström, “Narcotics and China: An Old Security Threat from New Sources”, *The China and Eurasia Forum Quarterly* 4, 1 (February 2006).

¹⁰ *Decision on Drug Control* [关于禁毒的决定], June 12, 2002, <<http://www.china.org.cn/chinese/zhuanti/158603.htm>>.

¹¹ This is because drug-related crimes remained small-scale at that time and had little impact on the society in the late 1970s.

narcotics legislation in China and demonstrated China's serious intention to fight drug-related crimes with stricter legal sanctions.¹²

From the late 1980s to the mid-1990s, China began to adopt special procedures for the administration of drug control and psychotropic substances. Three special procedures were promulgated by the State Council (*Guowuyuan*) during this period: the *Procedures for Narcotic Drug Control (Mazui Yaopin Guanli Banfa, 1987)*, the *Procedures for Psychotropic Substances Control (Jingshen Yaopin Guanli Banfa, 1988)* and the *Procedures for Compulsory Drug Addiction Rehabilitation (Jiedu Yaopin Guanli Banfa, 1995)*. The Ministry of Health issued *the Procedures for the Administration of Pharmaceuticals for Drug Addiction Treatment (Jiedu Yaopin Guanli Banfa, 1995)*. To prevent precursor chemicals from being diverted into illegal channels and be able to crack down on the associated illegal or criminal activities, Chinese legislative bodies and the Chinese government also issued a series of laws and regulations for the control of precursors.¹³

Before the mid-1990s, the Chinese government had adopted a sanctions-oriented legislative approach to fight drugs. Severe punishments for drug-related criminal activities are one feature of China's criminal legislation for drug control which remains till today. On the one hand, the counter-narcotics legislation was mainly focused on the punishment of criminals engaged in drug-related activities, while the relevant law enforcement attached importance to the seizures of drugs and arrests of drug suspects. On the other hand, efforts to address the problems of drug addicts, who were usually ignored, discriminated and marginalized from mainstream society were clearly insufficient. This is partly explained by the lack of manpower and logistical support for drug control, but the hard-line approach adopted towards drug-related activities coupled with ignorance and neglect did not generate ideal results either. Huge profits from illicit drug businesses led to increasing drug-related criminal activities while more and more people succumbed to drug abuse and addiction.

On January 12, 1995, the State Council promulgated *The Procedures for Compulsory Drug Addition Rehabilitation (Qiangzhi Jiedu Banfa)*,¹⁴ which marked the beginning of Chinese government's comprehensive thinking in addressing the narcotics problem. China has since then developed a comparatively comprehensive strategy on drug control.

¹² Zhu Chenghe [褚宸舸], "History of Contemporary Drug Study in China and Study Methods" [当代中国毒品犯罪研究学术史和方法论述评], *Juveniles Criminal Problem* [青少年犯罪问题研究], No.3, 2006, p. 33-38.

¹³ *White Paper on Narcotics Control : 2000* [2000 年中国禁毒白皮书], June 1, 2000, <<http://www.china.org.cn/e-white/1/1.foreword.htm>>

¹⁴ *The Procedures for Compulsory Drug Addition Rehabilitation* [强制戒毒办法], June 12, 2002, <<http://www.china.org.cn/chinese/zhuanti/158158050.htm>>.

Chinese Strategy on Drug Control

Today, the Chinese strategy on drug control consists of four components: Legislation and law-enforcement, treatment and rehabilitation, a “People’s War on Drugs”, and international cooperation.

Legislation and Law Enforcement Efforts

Since the mid-1990s, China has continued to improve drug control by revising and making amendments to the existing laws, or creating new counter-narcotics laws and regulations.

In 1997, the Criminal Law of the PRC was revised on the basis of absorbing and retaining the main contents of the *Decision on Drug Control*. After the revision, the *Criminal Law (1997)*, which is in use currently, specifies 12 crimes, which cover the: smuggling, trafficking, transporting and manufacturing of drugs; the illegal holding of drugs, the harboring, transferring and concealing of drugs and illicit drug-related money; the smuggling of materials for manufacturing drugs; the illegal cultivation of mother plants of narcotic drugs, transporting, hand-carrying and holding of seeds and seeding of such plants; the illegal provision of drugs and psychotropic substances; and the criminal punishments for these crimes. The penalties for the laundering of illicit proceeds generated from the narcotics industry are also stipulated in the law.¹⁵

China has also tried to tighten its control over the export and import of Precursor Chemicals. For example, in August 2005 the State Council issued the *Regulations on the Control of Precursor Chemicals (Yizhidu Huaxuepin Guanli Tiaoli)* and *Regulations on Narcotics and Psychotropic Substances (Mazui Yaopin He Jingshen Yaopin Guanli Tiaoli)*, and in the same month, the Ministry of Commerce, MPS and other concerned authorities jointly promulgated the *Temporary Management of Export of Precursor Chemicals to Specific Countries (Regions) (Xiang Teding Guojia/Diqu Chukou Yizhidu Huaxuepin Zanzing Guanli Guiding)*.¹⁶ Thanks to these efforts, the illegal export of 3250 tons of precursor chemicals had been effectively stopped by 2005,¹⁷ while the figure in the first eight months of 2006 amounted to 576.6 tons,¹⁸ suggesting a further dramatic decline.

In January 2006 the State Council revised the *Regulations on the Administration of Entertainment Venues (Yule Changsuo Guanli Tiaoli)*, which was first issued in 1999. Before the revision, there was no stipulation regarding the liability of the owners of entertainment venues for narcotics consumed within their premises or their active involvement in drug-related crimes.

¹⁵ *Ibid.*; *White Paper on Narcotics Control : 2000*.

¹⁶ The specific countries (countries) here refer to Burma/Myanmar and Laos.

¹⁷ *Narcotics Control in China: 2006*.

¹⁸ *Ibid.*; “Significant Progress Has Been Made in ‘People’s War against Drugs’ in the First Eight Months of 2006”.

Such impunity led to rampant drug-abuse or associated activities within these venues, as well as the introduction of new types of drugs. The revision provided the legal basis for taking legal action against entertainment venues, their owners, and their provision of a sanctuary for drug abuse.¹⁹

China has built a strong counter-narcotics law enforcement team in the last decade. Before the mid-1990s, the Chinese police did not have a large police force fighting drug-related crimes, although a small counter-narcotics police was set up as early as 1982. Actually, it appears that the Chinese government paid scant attention to the drug problem for a period of time; or at least they had not anticipated that the drug situation would deteriorate so quickly. Due to this, the highest authorities leading and coordinating the nation-wide combat against drugs was at the division-level office in the Ministry of Public Security (MPS) until 1990, when the China National Narcotics Commission (CNNC, *Guojia Jindu Weiyuanhui*) was founded. In 1998, the Narcotics Control Bureau (NCB, *Jinduju*) was established within MPS as the executive organ of CNNC and replaced the small counter-narcotics division already in existence, which had been overburdened and incapable of supervising and coordinating the nation-wide drug control campaign alone. From then on, relevant drug control divisions and sections at different levels of local public security organs were set up, a strong pool of counter-narcotics police-officers was formed and a large budget was allocated to counter-narcotics law enforcement. By 2004, such specialized counter-narcotics police teams had been established in 707 counties and 327 cities in 31 provinces, autonomous regions and municipalities and numbered 17,000 personnel.²⁰ The People's Armed Police (PAP), frontier defense forces of the public security authorities, judicial departments, customs, and administration departments for industry and commerce also undertook corresponding counter-narcotics law enforcement tasks.²¹

The political appointment of Zhou Yongkang (周永康) to Minister of Public Security in 2002 had particular significance for the strengthening of counter-narcotics law enforcement. At the time of his appointment, Zhou bore a few other political titles, including member of the Politburo of the Communist Party of China (PCPC, *Zhongyang Zhengzhiju*) and the director of CNNC. As the most politically influential Minister of Public Security since the founding of PRC,

¹⁹ "Interview with Leader of NCB of MPS on *Regulations on the Administration of Entertainment Venues*" [公安部禁毒局负责人谈《娱乐场所管理条例》], March 2, 2006, <<http://www.mps.gov.cn/cenweb/brjlCenweb/jsp/common/article.jsp?inford=ABC0000000000031439&category=700723009>>.

²⁰ "China Has Specialized Anti-Drug Police Force in 31 Provinces, Autonomous Regions and Municipalities with a Strength of 17,000 Personnel" [我国有禁毒警力1.7万人, 31个省区市建有专业队伍], June 21 2004, <<http://www.mps.gov.cn/cenweb/brjlCenweb/jsp/common/article.jsp?inford=ABC0000000000031855&category=700723009>>.

²¹ *Ibid.*; *White Paper on Narcotics Control : 2000*.

Zhou's position in the Chinese police forces reflected China's increasing determination to strengthen law enforcement including drug control.

Treatment and Rehabilitation

Since 1990s, China began to attach importance to the treatment and rehabilitation of drug addicts. According to *The Procedures for Compulsory Drug Addiction Rehabilitation* and other relevant laws, all registered addicts should be sent to compulsory rehabilitation centers established by governments at all levels to receive treatment. The addicts who receive compulsory treatment must burden the relevant cost. Those who resume their drug habit after receiving compulsory treatment are sent to re-education-through-labor centers administered by judicial departments, where they are forced to undergo treatment alongside with re-education through physical labor.²² In 2005 alone, 298,000 admissions for compulsory rehabilitation were made.²³

At present, rehabilitation institutes in China basically fall into three types: (1) compulsory rehabilitation centers (*Qiangzhi Jiedusuo*) run by the public security departments, (2) re-education-through-labor rehabilitation centers (*Laojiao jiedusuo*) run by the judicial departments and (3) voluntary rehabilitation institutes (*Ziyuan Jiedusuo*) run by the public health departments. In the first eight months of 2006, 204,000 admissions for compulsory rehabilitation were made, while 43,476 addicts who resumed their drug habit after having received compulsory treatment were subsequently sent to re-education-through-labor centers. Up until August 2006, there were 94,700 addicts receiving treatment and rehabilitation in the compulsory rehabilitation centers and 129,300 in the re-education-through-labor rehabilitation centers, totaling 31.1 percent of the 720,400 registered active drug abusers.²⁴

In June 26, 2006, CNNC held a meeting on construction of rehabilitation institutes. Following the meeting, it was agreed that the rehabilitation institutes the CNNC is scheduled to build all over the country would be different from those run by the public security departments, judicial departments or public health departments. The CNNC-run institutes would be for addicts who have already received compulsory or voluntary rehabilitation and treatment, and are prepared for reintegration back into society. They will serve as supplementary elements to the previous rehabilitation efforts. The Chinese government also supports and

²² *Ibid.*

²³ Narcotics Control in China: 2006.

²⁴ "Significant Progress Has Been Made in 'People's War against Drugs' in the First Eight Months of 2006" [今年以来全国禁毒人民战争取得阶段性成效], November 9, 2006, <<http://www.mps.gov.cn/cenweb/brjlCenweb/jsp/common/article.jsp?infoid=ABC00000000000035545>>.

encourages private initiatives like private companies and private hospitals to run these rehabilitation institutes.²⁵

The Chinese government has also launched ambitious campaigns against drugs and encouraged the public to help with treatment and rehabilitation work. Under the leadership of the local governments thousands of “drug-free communities” (*Wudu Shequ*) and “civilized communities” (*Wenming Shequ*) have been established. Mass organizations, including the trade union, the Communist Youth League (CYL, *Gongqingtuan*) organizations, the women’s federations and the associations of self-employed industrialists and businessmen, have been mobilized to help in the work with addicts.

Nowadays, the Methadone Maintenance Therapy Program has gradually been introduced into the treatment of drug addicts all over the country after some experiments were conducted in four provinces including Guangdong, Yunnan, Sichuan, Guizhou, and Guangxi autonomous region. However, this method has aroused heated debate and wide suspicion in the public.²⁶ Yang Fengrui, deputy director of CNNC and director-general of NCB, admitted to China Central Television (CCTV) *Face to Face* that the government was concerned that addicts who take Methadone would get addicted to it.²⁷ By 2006, China has approved 128 Experimental Centers for Methadone Maintenance Therapy Program in 21 provinces, autonomous regions and municipalities.²⁸

China has also encouraged the local governments to adopt the Pilot Needle Exchange Program to address the drug-related HIV/AIDS problem. Both Methadone Maintenance Therapy Program and Pilot Needle Exchange Program have strong support from the central government and serve as “effective interfering measures” [*Youxiao Ganyu Cuoshi*].²⁹ They are regarded as milestones

²⁵ “CNNC Held Meeting on Construction of Rehabilitation Centers” [国家禁毒委员会召开全国戒毒康复场所工作会议], September 7, 2006,

<<http://www.mps.gov.cn/cenweb/brjlCenweb/jsp/common/article.jsp?infolid=ABC0000000000034705>>.

²⁶ Kang Jin [康劲], “An Urgent Need of Legislation for ‘Methadone’” [要尽快为“美沙酮”立法], April 14, 2004, *China Youth Daily*, <<http://unn.people.com.cn/GB/14751/2447912.html>>.

²⁷ Yang Fengrui [杨凤瑞] Interview on CCTV “*Face to Face*” [面对面], June 27, 2004. <<http://www.cctv.com/news/china/20040627/100661.shtml>>

²⁸ “China Approved 128 Experimental Centers for Methadone Maintenance Therapy Program in 21 Provinces, Autonomous Regions and Municipalities” [我国在 21 个省、自治区、直辖市批准 128 个“美沙酮”维持治疗试点], March 27, 2006,

<<http://www.mps.gov.cn/cenweb/brjlCenweb/jsp/common/article.jsp?infolid=ABC00000000000031855&category=700723009>>

²⁹ On April 4 2004, in her speech at the National Conference on HIV/AIDS Prevention Conference, vice Premier Wu Yi [吴仪] announced that “China would unswervingly promote effective interfering measures” [中国要坚定不移地推广有效干预措施, including using Methadone Maintenance Therapy Program and Pilot Needle Exchange Program to address addicts

and show that the Chinese Government has begun to change its attitude towards drug addicts and treat them as victims and patients. The new measures have also to some extent reflected the Hu Jintao-Wen Jiabao administrations' "put people first" (*Yi Ren Wei Ben*) spirit.

People's War on Drugs

On 15 April 2005, the Politburo Standing Committee (PSC) of the Communist Party of China Central Committee (CPCCC) held an unprecedented meeting to discuss counter-narcotics policy. President Hu Jintao [胡锦涛] himself chaired the meeting and called for a "People's War on Drugs", which was followed by a five-year counter-narcotics plan that was issued by the State Council. Since then, greater efforts in fighting drugs have been witnessed in China, with more integrated law enforcement, more comprehensive public drug awareness campaigns, more flexible treatment and rehabilitation measures, and more productive international cooperation.³⁰ Governments at all levels, along with the drug control departments, have launched campaigns to publicize the dangers of drug abuse and carried out drug prevention education campaigns through newspapers, radio and television programs. Community-based counter-narcotics activities, like the establishment of "drug-free communities" and "civilized communities", have attracted broad participation. The public's drug awareness has been improved, which has set a favorable foundation for the whole drug control work. A zero-tolerance approach to narcotics dealing has proven to be remarkably successful in many small cities. The public's participation has greatly improved the drug control work. Ten provinces, autonomous regions and municipalities including Yunnan and Shanghai have adopted a rewarding mechanism, encouraging the public to act as informants to the police.³¹ From January to October 2005, the public's active participation had contributed to the successful investigation of 1707 drug cases, in which 1957 suspects were arrested and 1.8 tons of drugs seized; in Fujian province, information from the public had led to the investigation of 105 drug cases involving entertainment venues.³² In the first eight months in Yunnan alone, reports from the public helped the authorities with their investigation into 694 drug-related cases, during which 906 suspects were arrested and 1,008 kg of drugs seized.³³

problem. From "Pilot Needle Exchange Program Experiment in Hunan: Drug Abusers Should Buy Needles to Prevent HIV/AIDS" [湖南试行针具交换：吸毒者需买针具以防艾滋], April 14, 2004, <<http://www.people.com.cn/GB/14748/2447696.html>>.

³⁰ *Narcotics Control in China: 2006*[2006年中国禁毒报告]; *Ibid.*; Yang Fengrui Interview on *CCTV Face to Face*.

³¹ *Ibid.*; "Significant Progress Has Been Made in 'People's War against Drugs' in the First Eight Months of 2006".

³² *Narcotics Control in China: 2006*.

³³ *Ibid.*; "Significant Progress Has Been Made in 'People's War against Drugs' in the First Eight Months of 2006".

International Cooperation

China has actively participated in various activities sponsored by the UN Drug Control Program and other relevant international organizations. The Chinese government continues to cooperate with the concerned countries and international organizations through all types of bilateral and multilateral mechanisms and agreements.

Through multilateral mechanisms like the “ASEAN³⁴ plus China”, “ASEAN plus Three (China, Korea and Japan)”,³⁵ the Shanghai Cooperation Organization (SCO)³⁶ and the Kabul Good Neighborly Relations Declaration on Drug Control,³⁷ China has set up intelligence exchanges and law enforcement cooperation channels with the relevant neighboring countries. It has also reached a consensus with the United States, Canada, Australia, Iran and other countries regarding drug control through all levels of bilateral mechanisms.³⁸

Since 1998, China has dispatched police liaison officers (*Jingwu Lianluoguan*) to more than two dozens of countries in Southeast Asia, Central Asia, and South Asia.³⁹ One of the tasks of these police liaison officers is to strengthen the cooperation with the relevant countries in the fight against drug trafficking. China has also begun to help train counter-narcotics experts in neighboring countries, most notably Burma/Myanmar, Laos,⁴⁰ Afghanistan⁴¹ and Uzbekistan.⁴²

³⁴ ASEAN, Association of Southeast Asian Nations.

³⁵ “Police Forces of 13 Capitals Set up Multilateral Cooperation Mechanism to Fight Transnational Crimes” [13 国家首都警方建多方国际合作机制打击跨国犯罪], February 26 2006, <<http://www.mps.gov.cn/cenweb/brjlCenweb/jsp/common/article.jsp?inoid=ABC0000000000031136>>

³⁶ “SCO Anti-Drug Seminar Closed in Beijing” [上海合作组织成员国缉毒执法研讨会在京闭幕], April 21 2006, <<http://www.mps.gov.cn/cenweb/brjlCenweb/jsp/common/article.jsp?inoid=ABC00000000000032311&category=700723003>>.

³⁷ Statement by Mr. Xie Baohua [谢保华], Counselor of the Chinese Mission to the UN, at 3rd Committee of the GA 59th Session on Crime Prevention, Criminal Justice and Narcotic Control, on October 8 2004, October 8, 2004, <<http://www.china-un-org/eng/xw/t163634.htm>>.

³⁸ Officials of the Narcotics Control Bureau of the Ministry of Public Security of China Talk about China’s Drug Control at the Press Conference of Ministry of Foreign Affairs of PRC. July 14, 2004, <<http://www.fmprc.gov.cn/eng/zjhd/t143444.htm>>.

³⁹ For example in Thailand, the Philippines, Kazakhstan, Uzbekistan, Kyrgyzstan, Afghanistan and Pakistan.

⁴⁰ *Narcotics Control in China: 2006; “China Has Helped Train 150 Anti-drug Officers for Laos”* [中国培训老挝禁毒执法官员已达 150 人], Xinhua News Agency, September 6, 2006.

⁴¹ “Response on Agenda Item: Security Issues and Counter-Narcotics”, Speech by Foreign Minister Li Zhaoxing [李肇星] of China at London Conference on Afghanistan, January 31, 2006, <<http://www.fmprc.gov.cn/eng/wjdt/zyjh/t236145.htm>>

⁴² *Ibid.*

Efforts regarding international law enforcement cooperation, in particular, intelligence exchange and joint operations has resulted in the arrest of many notorious drug-lords, as well as the eradication of drug bases inside and outside of China.⁴³

One of the most significant achievements regarding international cooperation might be the replacement plantation projects in the Golden Triangle, which was highly praised by UN.⁴⁴ Since the 1990s, China started to help the neighboring Southeast Asian countries replace opium poppies with ordinary crops such as rice, sugarcane and rubber, as a way of rooting out the drug sources. Up until the end of 2004, the Chinese government and companies had already spent more than 500 million RMB (US\$63 million) for this purpose.⁴⁵ With the joint efforts made by China and other countries and international organizations, Laos has announced the prohibition of poppy plantations all over the country in 2006, and Burma/Myanmar has strengthened the prohibition of poppy plantation in recent years, which has led to a significant decrease of poppy fields in the Golden Triangle. In 2006, there were only 21,500 hectares of poppy fields in Burma/Myanmar under cultivation, which represent a drop of more than 34 percent over 2005.⁴⁶ In compensation, China agreed on its part to provide 10,000 tons of rice to Burma/Myanmar in 2006.⁴⁷

Since the fall of the Taliban regime, China has given strong support to Afghan President Hamid Karzai. For example, in 2002, the Chinese government announced a grant of US\$150 million to Afghanistan.⁴⁸ One reason for this assistance is that China wishes to see a strong Afghan regime, which can curb the disastrous drug production within its territory and reduce the increasing drug-flow into China. In January 2004, at the request of U.N., China sent a police officer to the UN Assistance Mission in Afghanistan (UNAMA).⁴⁹ He is the first senior police advisor to UNAMA from China, and has experience in combating the illegal drug

⁴³ *Ibid.* Officials of the Narcotics Control Bureau of the Ministry of Public Security of P.R. China Talk about China's Drug Control at the Press Conference of Ministry of Foreign Affairs of PRC.

⁴⁴ "From Replacement Plantation to Replacement Development — The Green Drug Control Project in the 'Golden Triangle'" [从替代种植到替代发展 — “金三角”绿色禁毒工程], <<http://www.mps.gov.cn/cenweb/brjlCenweb/jsp/common/article.jsp?infoId=ABC0000000000031548&category=700723003>>

⁴⁵ "China Has already Spent more than 500 million RMB Helping Neighboring Countries Fight Drugs" (我国已经投入 5 亿多元帮助邻国解决毒品问题), *Xinhua News Agency*, December 12, 2005.

⁴⁶ "2006 Sino - Burmese Anti-Drug Meeting Held in Kunming" [2006 年中緬禁毒合作会议在昆明举行], October 23 2006,

<<http://www.mps.gov.cn/cenweb/brjlCenweb/jsp/common/article.jsp?infoId=ABC00000000000035290&category=700723003>>.

⁴⁷ *Ibid.*

⁴⁸ Press Conference of the Ministry of Foreign Affairs, January 24, 2006, <<http://www.fmprc.gov.cn/chn/xwfw/fyrth/t232610.htm>>

⁴⁹ UNAMA is a political mission under the support the United Nations Peacekeeping Operation (UNDPKO). It's a small mission. China has only one police advisor in UNAMA.

trade. His presence reflects not only China's support for the UN political mission in its war-torn neighbor, but also its intent to help boost the fight against drug-trafficking.⁵⁰

Challenges

Although it seems as if China has adopted a comprehensive strategy of drug control, four remaining challenges indicate that more still needs to be done to counter the illegal drug-trade and abuse.

Firstly, the counter-narcotics legislation should be strengthened as existing counter-narcotics laws can be made more effective in tackling the drug problem.⁵¹ There have been discussions about a systematic counter-narcotics law, which can integrate the current counter-narcotics articles in the criminal laws, counter-narcotics regulations, decisions and judicial explanations. Furthermore, the integrated counter-narcotics law should be able to resolve the existing controversial problems regarding counter-narcotics law enforcement and justice. For example, according to the current laws, transporting and sheltering drugs are serious crimes and those convicted are severely punished, while those convicted of dealing in 10 grams or less face a maximum three year jail term. But the small time dealers - those trafficking in one or two grams - who make up the majority, serve at most a few months behind bars. Comparing this to the mandatory three years' compulsory rehabilitation and re-education program for habitual drugs users, it becomes clear that the existing law is not properly addressing the heart of the problem.⁵² In order to effectively address drug trafficking and other related problems, some local people's congresses like those in Yunnan, Heilongjiang, Guangdong, Guizhou and Inner Mongolia have issued their own counter-narcotics regulations.⁵³ However, these local regulations tend to have gaps and their strategies differ from one location to another. As a result, drug criminals are still able to operate in these areas. Therefore, the new counter-narcotics law should set integrated legal standards for drug cases including those involving new types of drugs such as "ice", "Ketamine" and ecstasy tablets. It should also try to address the management of special groups like addicts and traffickers with serious infectious diseases such as HIV/AIDS and hepatitis or those who are handicapped.⁵⁴ In June 2006, the draft of the mainland's first counter-narcotics law was presented to the National People's Congress for consideration. The new legislation is also expected to specify

⁵⁰ "China's One-man Afghan Mission", *BBC News*, January 15, 2004.

⁵¹ "Legislation Should Take a Lead in Drug Control" [立法统领禁毒全局工作], March 14, 2006, <<http://www.mps.gov.cn/cenweb/brjlCenweb/jsp/common/article.jsp?infoid=ABC000000000000031687&category=700723009>>.

⁵² "Targeting Pawns Prove Successful in Anti-Drug Fight", *China Daily*, January 11, 2005, <http://www.chinadaily.com.cn/english/doc/2005-01/11/content_407636.htm>.

⁵³ *Ibid.*; "China Has Specialized Anti-Drug Police Force in 31 Provinces, Autonomous Regions and Municipalities with a Strength of 17,000 Personnel".

⁵⁴ *Ibid.*; "Legislation Should Take a Lead in Drug Control".

whether taking banned drugs is a criminal act and what punishment should be meted out to abusers.⁵⁵

The second challenge comes from new types of synthetic drugs, such as ecstasy, Ketamine and “ice” (methamphetamine). There are currently 700,000 heroin addicts in China, making up 78.3 percent of the total registered figure of drug abusers.⁵⁶ But more and younger people have switched to synthetic drugs in recent years, mostly for recreational purposes. In some areas like the three northeast provinces, Liaoning, Jilin and Heilongjiang, the abuse of synthetic drugs has surpassed traditional drugs such as heroin, opium and marijuana.⁵⁷ One major market of these synthetic drugs is entertainment venues like discos, night clubs and pubs. Sixty percent of entertainment venues across China have problems related to the new types of synthetic drugs.⁵⁸ In 2005, large amounts of these emerging synthetic drugs, including “ice” (5,500kg), Ketamine (2,600 kg) and ecstasy tablets (2.34 million tablets) were seized.⁵⁹ It is also evident that in recent years, large amounts of precursor chemicals produced in the factories across the country have been illegally sold to domestic markets, or imported to overseas markets as raw materials for the production of synthetic drugs. For example, in a crackdown in 2005 on 34 “ice” factories all the precursor chemicals and other raw materials seized came from the domestic market.⁶⁰ Although many legal regulations regarding the control of precursor chemicals have been promulgated, there are still many gaps where the illicit use and smuggling of precursor chemicals are thriving. To address these problems, China needs to effectively implement the relevant laws so that it can, on the one hand, tighten the control over its abundant stock of precursor chemicals and combat the domestic production of synthetic drugs; while on the other hand, prevent the illicit export of precursor chemicals to overseas markets, in particular, the Golden Triangle, which is likely to be transformed from a “Heroin Empire” into an “Ice Empire”.⁶¹

The third challenge is related to the attitude and policy towards drug addicts. Compared with the extensive legislative measures and campaigns against drug-related criminal activities taken, the Chinese policy in countering demand appears weak. Although China has invested great efforts to improve the treatment and rehabilitation work and introduced measures which reflect the advocated “put

⁵⁵ “The Draft of Anti-Drug Law: Drug Addicts are Patient and Victims as well as Lawvolators” [《禁毒法》草案：吸毒者是病人、违法者和受害者], June 23, 2006, <<http://society.people.com.cn/GB/41158/4519407.html>>.

⁵⁶ *Narcotics Control in China: 2006*

⁵⁷ *Ibid.*

⁵⁸ *Ibid.*; “Interview with Leader of NCB of MPS on *Regulations on the Administration of Entertainment Venues*”.

⁵⁹ *Ibid.*

⁶⁰ *Ibid.*

⁶¹ Li Chenyang [李晨阳], “The Drug Problems in the Golden Triangle in the Early 21st Century and Their Impact on China” [21 世纪初的金三角毒品问题及其对我国的影响], August 2, 2006, <<http://big5.ynjd.gov.cn:81/pubnews/doc/read/yxwx/63634825.176206202/index.asp>>.

people first” spirit, there are still some barriers that need to be surmounted. For example, although the government encourages private units to participate in the treatment and rehabilitation work, allowing them to run recovery institutions, most of these private-owned institutions are profit-oriented due to inadequate financial inputs from both the state and the public. Higher costs will also deter financially-drained addicts and limit the admission of these. As mentioned earlier, the local governments in some places have begun to introduce some new drug control measures, including the Methadone Maintenance Therapy Program. However, the high cost of the substitute drugs is a huge financial burden for both the government and addicts. In addition, as the public play a crucial role in counter-narcotics, their attitude towards addicts may decide success or failure. Although the government has gradually adjusted its drug control policy and changed its attitude towards addicts, considering them both as victims and patients, it is difficult to expect the public to share the same idea, at least in the near future. As long as active and former addicts are stigmatized in public, and are reluctant to assist in their recovery and reintegration back into society, China’s drug control is less likely to succeed.

Finally, although some achievements in international cooperation on drug control have been made in the Golden Triangle, particularly those pertaining to replacement plantation, some⁶² warn that China should not celebrate too early. China should be aware of the existing barriers to replacement plantation and adopt an even more strategic thinking in strengthening the achievement.⁶³ Local companies are currently playing the main role in replacement plantation, and they have invested huge amounts of resources to set up ambitious projects in countries like Burma/Myanmar and Laos. However, difficulties have been encountered because of financial barriers and export/import quota limitations.⁶⁴ Therefore, although the government encourages investment in northern Burma/Myanmar and Laos, more practical policies should be implemented to help the investors and protect their interest. Otherwise, once the relevant companies’ business fails, the replacement plantation work in the Golden Triangle will be directly affected and people in that area will resume the drug business. However, although the production volume of heroin production in the Golden Triangle has decreased recently due to some quick impact replacement plantation projects, some drug-lords have built up a lot of factories for the production of synthetic drugs. It is estimated that in 2002 alone, more than 100 tons of synthetic drugs like amphetamine, Ketamine and “ice” were produced in the Golden Triangle.⁶⁵ Unfortunately, most of the precursor chemicals come from the Chinese factories while the refined products return to the Chinese drug market.

⁶² *Ibid.*

⁶³ *Ibid.*; “From Replacement Plantation to Replacement Development — The Green Drug Control Project in the ‘Golden Triangle’”

⁶⁴ *Ibid.*

⁶⁵ *Ibid.*; Li Chenyang, “The Drug Problems in the 21st Century and Their Impact on China”.

Absent sufficient measures, and considering the fact that Afghanistan produces 87 percent of the world's opium, Afghanistan could in the near future overtake the Golden Triangle as China's largest supplier of narcotics.⁶⁶ In 2005, criminal cases regarding the trafficking of heroin from Afghanistan were reported in Xinjiang, Beijing and Guangdong; while 22 cases of trafficking from Pakistan routed to China were also intercepted. In the same year, the public security authorities in Xinjiang reported nine cases of drug trafficking by air, capturing 14 foreign suspects while seizing 14.5 kg of heroin; this shows a significant increase in the number of both cases and suspects, as well as quantity of drug seizures over the year before.⁶⁷ Therefore, China should expand and strengthen the counter-narcotics cooperation with its western and northwestern neighbors including Pakistan, Afghanistan and other Central Asian countries. As long as these countries have a drug problem, be it production, consumer market or transit route, China will sooner or later be greatly affected.

Conclusion

To sum up, China has in recent years invested major efforts to enhance the efficiency of its drug control program. A four-pronged comprehensive approach has been pursued: 1) Counter-narcotics legislation and law enforcement work have been improved. 2) An efficient treatment and rehabilitation approach to addressing addicts problems have been developed. 3) A "People's War on Drugs" has been launched to promote the public's participation in fighting drugs. 4) And finally, international cooperation has been strengthened. Nevertheless, some remaining challenges should not be ignored: An integrated counter-narcotics law should be worked out; threats of both synthetic drugs and traditional ones should be addressed; the government's policy regarding treatment and rehabilitation of addicts should be improved or tailored according to the specific Chinese context, and the public's attitude towards addicts needs to be changed; and there is a need for a more strategic approach in countering the drug trade through international cooperation. For example, China should spend more money and diplomatic efforts to consolidate the replacement plantation in the Golden Triangle and prevent it from becoming an "ice" empire, while due attention should be paid to Central Asia, in particular, Afghanistan, whose drugs are likely to flood the Chinese market.

⁶⁶ *Ibid.*; Niklas Swanström, "Narcotics and China: an Old Security Threat from New Sources".

⁶⁷ *Narcotics Control in China: 2006.*